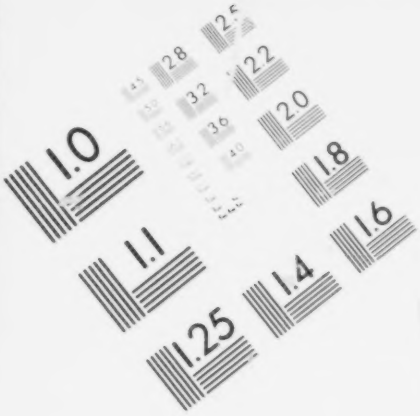

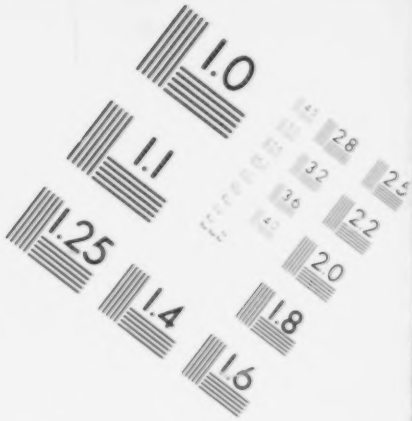

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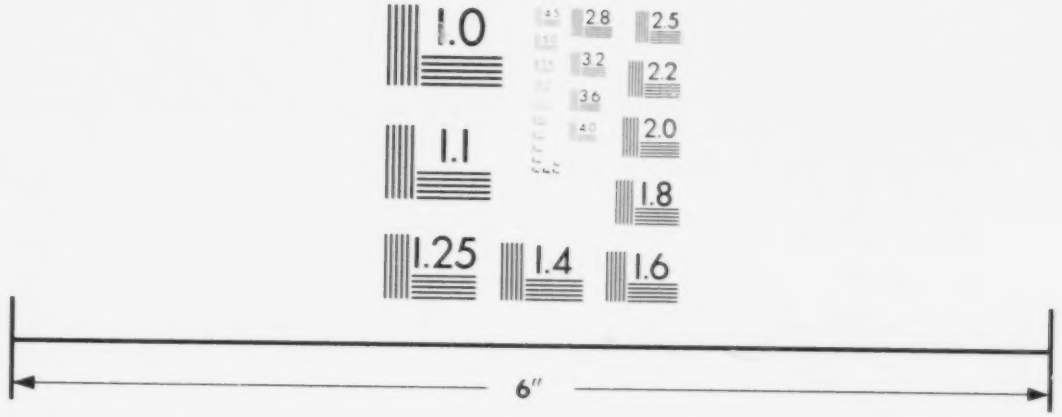

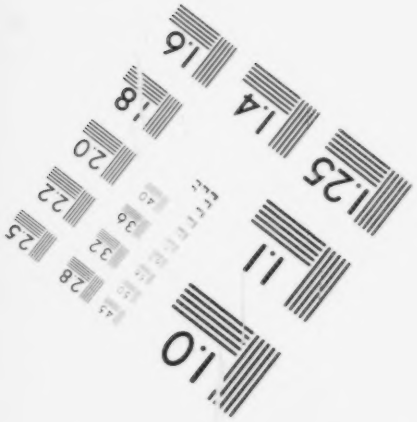

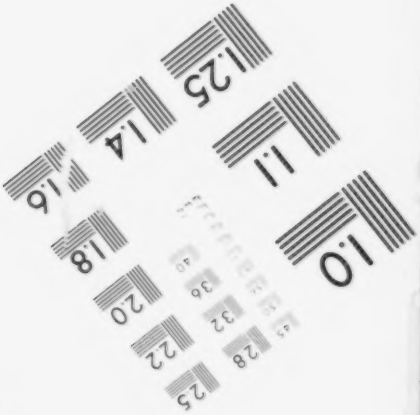

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Daily Report

Latin America

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Guatemala's de Leon Carpio Addresses OAS General Assembly 8 Jun

PA1006040393 Guatemala City Teleonce Television in Spanish 0345 GMT 9 Jun 93

[Speech by Guatemalan President Ramiro de Leon Carpio at the OAS General Assembly meeting in Managua on 8 June—recorded]

[Text] Mr. President; foreign ministers; Mr. Secretary General; Mr. Assistant Secretary General; heads of delegations; ladies and gentlemen:

Mr. President, I have come to this grand assembly representing the Guatemalan people and government to express first our sincere gratitude for the resolution adopted by the foreign ministers during yesterday's ad hoc meeting on Guatemala. It was then decided to [words indistinct].

As my country sees it, that resolution represents incalculable inter-American support, the immediate effect of which was to strengthen the institutional democracy that was assaulted at its very foundation on 25 May.

The clear and sincere will of the ministers as expressed in the final resolution commits my government to increasing its efforts to fully restore constitutional rule, a goal of the Guatemalan people since 1985.

It also is encouraging for all the civilian institutions that with iron will firmly struggled during the institutional crisis period to secure success.

The Guatemalan delegation requested that the final resolution include a paragraph recommending that the OAS secretary general, after consulting the Central American presidents, offer necessary support to the parties to renew and revitalize the peace process to make peace a reality as soon as possible. This shows my government's willingness to make all necessary efforts to end the more than 30 years of bloodshed in Guatemalan society. Many people have died, and in the end there will be no winners or losers.

As I stated in the note I delivered to the secretary general, because of my democratic vocation and in line with Guatemalan commitments, I feel compelled to guarantee respect for human rights. I want to reiterate that before the American foreign ministers meeting here.

The events in Mexico and [words indistinct] in Guatemala have necessarily influenced the foreign policy that my government will adopt. Being a small country of limited economic resources, our strength in the international arena lies in the solidity of our positions, in our responsible conduct, and in our moral authority. There is no greater strength than that produced by a government's implementation of principles in domestic and foreign policy.

That, Mr. President, will be the essence of my government's foreign policy. Guatemala will fully respect international laws, especially those that call for peaceful solutions to controversies, nonintervention, equality before the law, and full respect for national sovereignty. In that regard I want to state that the Guatemalan Government will uphold and respect the obligations acquired by the Guatemalan state. My government will always defend the principle of full respect for the political, civil, economic, social, and cultural rights of nations. It will support measures to promote a more just and equitable economic order. It will support, through the democratic solidarity with which this organization helps us, representative democracy as the political expression of the people of this continent and the world.

Foreign ministers, integration will be another objective of my government's foreign policy. Central American integration will be promoted by maintaining and deepening processes already begun. In that spirit I want to state with satisfaction that Guatemala will invite the presidents of Central America to hold in my country on 17 June the regional summit that was canceled because of the 25 May events. The main issue of the summit will be the consolidation of democratic institutions in Central America. It will allow us to advance on this difficult but promising road.

I also want to thank several American foreign ministers for offering economic aid at the ad hoc meeting to strengthen Guatemala's democratic process. The people and Government of Guatemala deeply appreciate all aid the international community can give us to enhance the efforts Guatemalans must make to build our society.

Mr. President, Mr. Secretary General, Guatemala wants to participate fully and actively in the works of the OAS. My presence here is evidence of that. Inter-American coordination, cooperation, and integration is essential for the international policy of the new Guatemalan Government. The OAS is an essential tool.

The resolution [words indistinct] approved yesterday recommends that the secretary general assist our country in its efforts to consolidate democracy and promote economic and social development. In stating our appreciation for this new evidence of continental solidarity, I officially want to invite you and a retinue of your choice to visit Guatemala. Together, we may analyze ways to implement this generous offer. Thank you.

Cuba

Castro Meets With Visiting Paraguayan Chamber of Deputies President

FL0906163993 Havana Radio Reloj Network in Spanish 1402 GMT 9 Jun 93

[Text] Commander in Chief Fidel Castro Ruz has met with Jose A. Moreno Ruffinelli, president of Paraguay's Chamber of Deputies who is visiting Cuba in response to an invitation from the National Assembly of the People's Government [ANPP]. The latest international political events that have occurred, especially those in Latin America, were commented on during the meeting. Castro and Moreno also exchanged information of interest regarding the characteristics of Cuba and Paraguay. The talks were held in a cordial and friendly atmosphere. Also present for the Cuban side was Comrade Ricardo Alarcon de Quesada, president of the ANPP.

Robaina Denounces Politicization of Human Rights Issue

PA0806232593 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Jun 93

[Text] Cuban Foreign Relations Minister Roberto Robaina denounced the politicization of the human rights issue, a charge most often levied against poorer countries, which wield less power.

After confirming his participation in the world conference on human rights, which will take place in Vienna 14 to 25 June, Robaina said that many rules need to be changed and for that reason Cuba is not only willing to supply answers in any campaign but in addition ask many questions on the topic.

Robaina asked whether it would be worthwhile to speak at that conference about the number of humans without rights, or speak about those who do not even know they have rights, or about the millions of people in the world who do not even know how to read or write that word. When the rules of the game are the same for all, Robaina said, we will be willing to discuss any topic, but if it has to do with human rights, Cuba today is one of the countries that best addresses the issue.

Robaina Calls News Conference on Human Rights Position

FL0906182093 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Jun 93

[Text] The Ministry of Foreign Affairs of the Republic of Cuba has issued the following news release: The foreign minister of the Republic of Cuba—well aware of the national and international interest in the Cuban position in relation to the conference on human rights to be held in Vienna from 14 to 25 June—has deemed it timely to call a news conference for representatives of Cuban and foreign news media.

The news conference, which will be held at the Foreign Ministry on 11 June at 2030 hours will be carried live by Cuban television, Radio Rebelde, Radio Havana Cuba, and Cubavision Internacional.

Robaina To Make 'Official' Visit to China 19 Jun

FL0906014793 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jun 93

[Text] This month, Cuban Foreign Minister Roberto Robaina will make an official visit to China at the invitation of the Chinese foreign minister. Robaina is expected to arrive in Beijing 19 June for his second visit to China. The Cuban official first traveled to China in November 1991 as first secretary of the Union of Young Communists. In August 1992, Liu Huaqiu, Chinese vice minister of foreign affairs, traveled to Cuba and met with Commander in Chief Fidel Castro.

Robaina's visit to Beijing will follow the visits by Carlos Lage, secretary of the Executive Committee of the Council of Ministers, late in 1992, and by Brigadier General Moises Sio Wong, president of the Cuban-Chinese Friendship Association, in May of 1993.

Council of State Vice President Continues Visit to Chile

Says Contacts 'Developing'

FL0906022993 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jun 93

[Text] Cuban Vice President Carlos Lage, who is on a working visit to Chile, said that the contacts established between the two countries are developing. These contacts include meetings with government officials, political leaders, and Chilean businessmen. Today, Lage was received by Chilean Interior Minister Enrique Krauss, after which he met with Senator Eduardo Frei, presidential candidate of the ruling coalition.

The Cuban official underscored that Cuba maintains growing relations with the Chilean Government as he stressed that the Cuban Government is willing to strengthen those ties with authorities as well as with representatives of the political and economic spheres. Regarding contacts established over the last few days, Lage said that they are exchanging ideas on the progress of the relations between Cuba and Chile and in what ways they can be strengthened. Lage said that Cuba and Chile's relations are on the consular level, not the ambassadorial level, but that there is progress and hope that relations will continue to develop.

Dismisses U.S. Involvement in Epidemic

FL0906234693 Havana Radio Reloj Network in Spanish 1932 GMT 9 Jun 93

[Text] Carlos Lage, Council of State vice president, has stated in Chile that the U.S. blockade against Cuba goes well beyond legislative measures. It is a whole group of

actions undertaken by Washington to block the economic development of Cuba. Lage added that if the blockade were to be lifted and the Torricelli Law appealed, Cuba's economic problems would not be solved in 48 hours but, undoubtedly, it would make things easier and shorten the time needed to move ahead.

Lage talked with reporters on 8 June during a visit to the Chilean Chamber of Deputies in Valparaiso. Lage explained that as a result of the blockade, 1992's purchases of poultry, grains, and milk cost Cuba $41 million above international prices.

Lage said that freight costs increased 42 percent as a result of the Torricelli Law, which prohibits access to U.S. ports of vessels stopping in Cuba. Lage said that because of all of this the blockade is not a slogan to the Cuban people but a reality that results in restrictions and sacrifices for Cuba.

Regarding the epidemic neuropathy, Lage said that there are no reasons to believe the new U.S. Administration is responsible for it but said that during previous U.S. Administrations actions of this kind were taken against Cuba.

Lage added that Cuba's electoral system is characterized by the fact that political parties do not postulate candidates rather the people do it directly.

Visits Headquarters of Congress

FL0906164093 Havana Radio Rebelde Network in Spanish 0900 GMT 9 Jun 93

[Text] Carlos Lage, a vice president of Cuba's Council of State, has visited the headquarters of the Chilean congress in the city of Valparaiso. At a meeting with parliamentarians from the ruling Coalition of Parties for Democracy, Jose Antonio Viera Gallo, president of Chile's Chamber of Deputies, said that the Chamber of Deputies condemned the Torricelli Law and has also come out in favor of an end to the U.S. embargo against Cuba.

For his part, Lage said that the revolution is still upholding, at the most difficult of moments, the same human and libertarian values it upheld when the insurrection triumphed in January 1959. Lage added that Cuba's democracy is imperfect but is improving, as indicated by the first direct elections to parliament held last February.

Lage also met with Chilean Interior Minister Enrique Krauss and with the ruling coalition's presidential candidate, Senator Eduardo Frei. Lage later declared to the press that his country is ready to expand ties with Chile.

Meets With President Aylwin

FL1006013993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 June 93

[Text] In an official audience, Chilean President Patricio Aylwin on 9 June met with Carlos Lage, Cuba's Council of State vice president, with whom he spoke for 15 minutes. Enrique Correa, Chilean secretary general of government, was present at the meeting at La Moneda Palace. Lage spoke with reporters following the meeting. He expressed being pleased with the welcome by the Chilean president and said that the meeting confirmed his first impression of Aylwin during the meeting with Cuban President Fidel Castro in 1991 at Guadalajara's first Ibero-American Summit.

Russian Official Says Strengthening Relations 'Vital'

FL1006015293 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Jun 93

[Text] (Aleksey Rubinshiv), deputy chief of the Latin American Department of the Russian Ministry of Foreign Economic Relations, said that the strengthening of relations with Cuba is vital. In an interview published by the newspaper KOMSOMOLSKAYA PRAVDA, the Russian official affirmed that after several decades a solid base of cooperation has been established between Moscow and Havana and that the destruction of these relations would be a negative factor for the economies of the two nations.

(Rubinshiv) said that Cuba is the main importer of Russian oil in the Western hemisphere; meanwhile, Russia is the most important buyer of Cuban sugar. He added that because of their erroneous initiatives, bilateral trade ties suffered a significant drop in the last two years and it was not until the end of November 1992 that delegations from the two countries signed agreements for economic trade.

(Rubinshiv) also said that Moscow's failure to meet shipments of spare parts, fertilizers, and fuel for the sugar harvest are among the reasons for this year's low sugar production and the imminent increase in price. (Rubinshiv) pointed out that as a consequence, Russia will have to pay an additional $35 million for the 1.5 million tons of Cuban sugar that it will buy in 1993.

The Russian official spoke of the Torricelli Law adopted by the United States, which he called a continuation of the brutal economic embargo against Cuba, and pointed out that only two nations, Israel and Romania, backed such a policy by Washington, while more than 50 countries energetically rejected it.

In the interview printed by KOMSOMOLSKAYA PRAVDA, (Rubinshiv) stressed that Cuba has a super tanker base that has great potential for the oil refinery industry and a modern port for the repair of fishing vessels, and that the joint use of these facilities could be beneficial for Cuba and Russia.

Spanish Ambassador Presents Credentials

FL0906010793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jun 93

[Text] Commander of the revolution Juan Almeida Bosque, a vice president of the Council of State, received in a solemn ceremony (Jose Antonio Sanquil Aujistin), who presented his credentials as Spain's extraordinary and plenipotentiary ambassador to Cuba. Foreign Minister Roberto Robaina Gonzalez also participated in the ceremony. At the conclusion of the ceremony, the ambassador and his delegation went to the Plaza of the Revolution and placed a wreath at the Jose Marti monument.

New Book Said To Disclose CIA's 1959-1962 'Subversive Campaign'

PA0806233093 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Jun 93

[Text] The history of the eight-main operations organized by the U.S. CIA against the Cuban revolution is disclosed by Division General Fabian Escalante in his book Cuba "The CIA's Secret War" [Cuba: La Guerra Secreta de la CIA]. It is a rigorous investigation based on Cuban security reports kept secret until now, classified CIA documents, and the testimonials of those who took part.

The book offers an unprecedented historic perspective of Washington's subversive program directed against Cuba between 1959 to 1962. The investigative work discloses some of the attacks against Cuban President Fidel Castro and U.S. plans to organize a self-inflicted attack against Guantanamo Naval Base that would serve the United States as a pretext to attack Cuba.

UJC Holds Working Meeting in Pinar del Rio

FL0806193993 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Jun 93

[Text] The population of Pinar del Rio has extended a warm welcome to the members of the national bureau of Cuba's youth [Union of Young Communists, UJC], who are holding the June working meeting here today. Fidel Ramos, first secretary of the Communist Party of Cuba [PCC] for Pinar del Rio Province, was present at the beginning of the meeting and, in addition to other topics, he brought the UJC leadership up to date on the medical efforts to control the cases of optic neuritis in the province.

When the illness first appeared, Pinar del Rio was one of the provinces in which the situation was most critical. There were 100 cases of neuritis being reported daily. Thanks to the medical personnel's efforts and the PCC's quick action, there are today only 9,000 neuritis patients in all Pinar del Rio Province.

Ramos also stressed the population's support for the province's agricultural and cane recovery efforts. There are today 15,000 people mobilized and doing agricultural labor in Pinar del Rio Province.

The schedule proposals for the UJC summer recreational activity plan nationwide are being made at this meeting of the UJC national bureau. There are plans to name the summer festival "Heading For The Sun" [Al Sol Voy], and (?I) think that if it should take place in the city of Havana, the Malecon should continue to be one of the nerve centers for this UJC summer. Recreational activities should also be kept up in the rest of the nation's provinces, though in a way very much in keeping with the limitations of the special period.

This meeting that is under way at the Territorial Troops Militia's National School of Enterology, located in the town of Moncada, Pinar del Rio Province, is going to analyze the conduct of the mobilization of the BET [Student Labor Brigades] and the FAPI [expansion unknown] and the production results of the El Paraiso agricultural camp/cadres school in Havana Province.

Electric Union Announces Unscheduled Power Outages

FL1006012593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 Jun 93

[Text] The Electric Union has announced that unscheduled power outages have been taking place on 9 June due to the low supply of fuel at certain thermoelectric plants and the low generating capability of the national system. These unscheduled outages will continue for the next few days and will be more extensive during the daytime hours.

Matanzas Thermoelectric Plant Resumes Operations

FL0906170193 Havana Radio Reloj Network in Spanish 1407 GMT 9 Jun 93

[Text] After shortening the maintenance period by two days at the Antonio Guiteras Thermoelectric Plant in the city of Matanzas, the plant has stabilized its generation at 300 megawatts, which is close to its maximum design capacity, said engineer (Jesus Valdes Torra), director of this modern plant. He said that the maintenance was a huge success, despite the fact that an unexpected crack was discovered in the steam line. (Valdes) said that from the first day of repairs, the plant received the support of almost 200 men, including the plant's own personnel and the members of the electric plant maintenance brigade, who worked around the clock.

The next period for repairs to the Antonio Guiteras plant is scheduled for next October, when the induction valves will be checked with the construction firm.

'Gold Hands Experts Movement' Holds Assessment Meeting

FL0906224893 Havana Radio Rebelde Network in Spanish 1155 GMT 9 Jun 93

[Text] The first assessment meeting of the Gold Hands Experts Movement was held at the Brigadier General

Francisco Cruz Balzac Industrial Military Enterprise. Division General Ulises Rosales del Toro, chief of the Revolutionary Armed Forces [FAR] General Staff and Politburo member, and Pedro Miret Prieto, Central Committee member, presided over the meeting with movement members. This is the first experience of its kind in Cuba. It was begun a year ago by the Military Industries Union. The Gold Hands Experts Movement groups soldiers renown for outstanding quality and precision in their work as well as high commitment. They are a great resource in solving problems related to combat readiness as well as helping with prioritized programs. Pedro Miret stressed this point:

[Begin recording] I believe that what we need to basically stress here is their constancy and team spirit. In the innovations and science forums one sees throughout Cuba, we notice the presence of the FAR Gold Hands in different places, even at sugar mills. [end recording]

During his speech, Division General Rosales del Toro stated his conviction that this movement is extremely important for the FAR and Cuba in general. At a time with so many and such complex problems, everyone should promote and improve this program each day.

[Begin Rosales recording] We should be pleased with the development of this movement and the effort you are making, but we should not be complacent with the results as of yet. When we see the work done with the detonators, we realize that each one of you has the potential to solve problems as important as this one. We should not waste any time. We have tens and tens of problems. We should be able to acknowledge them and provide the resources to solve them. [end recording]

Epidemiology Research Laboratory Inaugurated in Santiago de Cuba

FL0806222893 Havana Radio Reloj Network in Spanish 1951 GMT 8 Jun 93

[Text] The provincial epidemiology research laboratory for the massive and simultaneous study of leprosy, AIDS, and hepatitis was inaugurated today in Santiago de Cuba. (Zuma) is the main equipment installed in the laboratory. This third system of its type in Santiago de Cuba was assembled at the (?immunology testing) center. To date, 93 of these modern computerized systems are operating in Cuba and approximately 90 are in use in Europe, Asia, Africa, and Latin America.

During the inauguration of the epidemiology research laboratory, Esteban Lazo, first secretary of the Communist Party of Cuba for Santiago de Cuba Province, and Culture Minister Armando Hart expressed interest in other capabilities of the (Zuma) equipment, such as detecting congenital malformations and allergies.

First Quarter Yields 34-Percent Increase in Foreign Tourists

FL0806234393 Havana Radio Reloj Network in Spanish 1940 GMT 8 Jun 93

[Text] A 34-percent increase has been reported in the arrival of foreign tourists during the first quarter of the year in comparison with the same period of 1992. The increase is attributed to improved marketing of Cuban tourism, the consolidation of markets, and an improvement in the quality of the services offered.

Efforts are being made in the tourism sector to receive approximately 1 million foreign tourists in 1995 and to complete 30,000 rooms in the various vacation centers of the country. A good average of about 4,000 units per year is presently being achieved. Other projects are being promoted to complete the infrastructure to develop tourism.

In 1992, the 488,000 tourists who traveled to Cuba came primarily from Canada, Spain, Germany, Mexico, and Italy.

'Approximately' 70 Arrested for Rebuilding, Selling Stolen Cars

FL0806214693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Jun 93

[Text] Approximately 70 arrests and the seizure of 40 vehicles resulted from an extensive police operation against individuals engaged in stealing, buying, and reselling automobiles in the provinces of Havana City, Havana, Matanzas, Villa Clara, and Sancti Spiritus.

The accused operated in an antisocial atmosphere, had no association with a work center, had criminal backgrounds, trafficked in currency and handling of large sums of national currency, were hostile toward the revolution, and had tried to leave the country illegally.

The investigation revealed that these individuals worked independently rather than in an organized structure. The thieves were headquartered in Havana. Their delinquent activity involved stealing new and damaged cars that they would later sell for between 2,000 and 4,000 pesos. They employed violence in stealing the vehicles from parking lots, and on the street they took advantage of the negligence of drivers and owners.

The criminals engaged in buying and rebuilding vehicles were located in Havana Province. They would buy cars in bad condition from accomplices, then remove the license plates, motor registrations, and documents. With these in hand, body workers and mechanics would then clandestinely rebuild the stolen autos. When they finished their work, each car would sell for between 50,000 and 100,000 pesos, or between $1,500 and $4,000 in hard currency.

The effective action of the police has severed this criminal chain. The police are now working to return the

stolen vehicles to their legitimate owners. This case has not been closed yet. Investigations continue.

Security Chief Tried, Sentenced for Rice Theft

FL0906170293 Havana Radio Rebelde Network in Spanish 1100 GMT 9 Jun 93

[Text] Theft is a crime against the patrimony of the nation as well as that of the individual. Despite the fact that by means of the law, the revolution guarantees an honest job for all, there exist individuals who devote themselves to stealing and appropriating the property of others for their own benefit and to attain their goal at times employ violence, intimidation, and force.

A case of theft occurred in our capital. The person responsible for it, Angel Diaz Calzadilla, was taken before the judges at the Havana City Provincial Tribunal. During the trial, it was proven that the accused, who was chief of vigilance and protection for the Havana City Province Foodstuffs Enterprise, entered Warehouse No. 206 with the intention of removing property. The custodian guarding the warehouse saw the accused take the keys that provided access to the inside of the building and appropriate 17 sacks of rice—assessed at 510 pesos—earmarked for consumption by the workers who lunch at the cafeteria of the enterprise suffering the loss.

Denouncing the incident, the police seized six of the sacks of rice at the home of a person living in the vicinity of the warehouse, who is said to have received 1,000 pesos from the criminal for storing them.

When handing down the sentence, the tribunal took into account the fact that the job of the person on trial was precisely to protect the center from such actions as the one he personally committed.

According to lawyer Mercedes Escalona of the Office of the Attorney General of the Republic, the accused was sentenced to two years' imprisonment for the crime of theft.

Correction to Release of Dissident Cruz Valera Viewed

1006113093

The following correction pertains to the item headlined "Release of Dissident Cruz Valera Viewed" published in the 8 June Latin America DAILY REPORT, page 12:

Column one, make headline read: Release of Dissident Cruz Varela Viewed (correcting spelling of name)

Column one, first paragraph, first sentence make read: ....by poet Maria Elena Cruz Varela that she was.... (correcting spelling of name)

The Bahamas

Prime Minister Defends Government's 1993 Budget

FL0706215193 Bridgetown CANA in English 1914 GMT 7 Jun 93

[Text] Nassau, Bahamas, June 7, CANA—In the face of strong cricitism from the opposition Progressive Liberal Party (PLP), Bahamas prime minister and minister of finance, Hubert Ingraham, has defended the government's 1993 budget, saying the "painful" measures it contains are necessary for the national well-being. The budget imposed 50 million dollars (1 Bahamas dollar = 1 U.S. dollar) in additional taxation and rolled back public spending to the 1988 level of 681 million dollars, down from 708 million in 1991 when a budget for a full year was last presented.

Speaking in Parliament, Ingraham blamed the PLP which ruled the Bahamas for 25 years until its defeat in general elections last August, for taking the country into the "valley of death" by running up huge deficits during its last years in office. Ingraham, whose Free National Movement (FNM) government presented an interim budget shortly after taking office last August, said a downturn in tourism, the Bahamas' bread and butter industry, also had contributed to the current economic woes by building pressure on the balance of payments.

Ingraham, saying the free spending policies of the former PLP government had put the value of the Bahamas dollar at grave risk, left no doubt the tough budgetary measures were aimed at protecting the current exchange rate where 1 bahamas dollar equals 1 U.S. dollar.

"There is nothing more fundamental to me than maintaining the value of the Bahamian dollar; that 1 Bahamian dollar equals 1 United States dollar. That is critically essential for all in the Bahamas....," Ingraham told Parliament.

"I say that against the background of advice from all of the international agencies concerned with the question of the economy of places like the Bahamas in the world," he added.

Ingraham also spoke of the debts which the FNM government had inherited from the PLP administration and was having difficulty repaying.

"I'm talking about a 54 million dollar overdraft at the Royal Bank of Canada that sits there and eats up interest at the rate of 400,000 dollars a quarter that we cannot now pay.

"I'm talking about the 40-odd million dollars owed to the Central Bank in short term borrowing that we cannot now pay. I'm talking about the 100-plus million dollars owed by Treasury Bills, short term.... credit that we can't pay.

"And I say that we are now having to make painful decisions on behalf of and for the benefit of all Bahamians, ourselves, our children, and our grandchildren. The children of PLP's and the children of FNM's, all Bahamians, to restore our country to good financial health, to remove it from the valley of death to which it has been plunged by the PLP."

Commenting on the budget, PLP leader, former Prime Minister Sir Lynden Pindling, said Ingraham was the only Bahamian minister of finance in 30 years who personally had forced the cost of living to rise steeply and the standard of living to fall sharply.

"With a single stroke of the pen, Mr. Ingraham effectively disabled the poor, hobbled the middle class, and enriched the already rich," Sir Lynden said.

Pindling took issue with the decision to raise airport departure tax from 13 to 15 dollars as part of the revenue raising measures for the new fiscal year which starts on July 1. He criticised a 21 per cent tax increase on a gallon of gas, noting Ingraham has opposed an increase in gas tax in 1991 when he was in opposition. Pindling also pointed to a 5 per cent tax on Bahamas Electricity Corporation imports, saying this along with the gas tax hike would wreak havoc on the poor.

Ingraham said the budget measures "will result in a restoration to good health of the economy of the Bahamas, significantly increased job opportunities and a better quality of life for our citizens." Ingraham said the budget also provided the best approach for the Bahamas to pay its debts on terms with which it can live, rather than being forced to live with terms imposed from outside.

"Other countries have had this experience before and they've had policies imposed upon them, including the dismissal of thousands of civil servants, substantial cut backs in government services, the removal of exemptions from all sorts of local industries, and having to sell government assets at prices that one might consider fireside sale prices.

"We don't want to be in that position in the Bahamas, and in order not to be in that position.... We have to take steps and take it now to correct what has happened over the years," he said.

Grenada

'Disputes Act' Passed In Dockworkers Strike

FL0906140893 Bonaire Trans World Radio in English 1100 GMT 9 Jun 93

[Text] The Grenada dockworkers' go-slow appears to be winding to a close now in the wake of the passage of the Disputes Act. Sarah Dragon reports from St. Georges:

[Begin recording] The Grenada shipping agents are required to name its representative to the arbitration committee today as efforts to resolve the current dispute continues. Up to yesterday, the shipping agents did not disclose which nominee it was going to be. It said it was already decided.

The other party in the dispute, the Seamen and Waterfront Workers Union [SWWU], has named as [words indistinct] to sit on an arbitration committee that was set up by the Ministry of Labor. The minister of labor [words indistinct] to the committee to serve as a chairman. Under the new legislation, the commitee's decision will be final and binding. Sarah Dragon for Trans World Radio. [end recording]

Guyana

Opposition Leader Says Visit by Business Group Going 'Exceedingly Well'

FL0506172993 Bridgetown CANA in English 1235 GMT 5 Jun 93

[Text] Georgetown, Guyana, June 5, CANA—Trinidad and Tobago's opposition leader, Basdeo Panday, says a visit here by a 25-member business group has been going "exceedingly well," with achievements "beyond their wildest expectations."

"Things have been going exceedingly well," group leader Panday told CANA at the weekend, between meetings with senior government ministers. "They are going beyond our wildest expectations. We had not expected first of all that we have had such a reception from both the government and the private sector."

He said the business team had met with Finance Minister Asgar Ally; Agriculture Minister Reepu Daman Persaud; Trade, Industry, and Tourism Minister Michael Shree Chand; as well as representatives of the Guyana Manufacturers Association (GMA), and the Georgetown Chamber of Commerce and Industry (GCCI).

Panday, a former external affairs minister, said the meetings with Guyana government and business officials were attracting fewer Trinidadian businessmen because they have already begun to "interface" with their Guyanese counterparts.

"I didn't expect (the visit) would catch on so well and bear fruit so quickly. We are very satisfied," he added. He described as an "excellent idea" a suggestion by the finance minister that there be joint ventures in Guyana with Trinidadian and Guyanese businessmen and similar ventures in Trinidad with Guyanese businessmen.

Said Panday: "I think that is an excellent idea because in each country they would have someone looking after their common interests." Panday said the focus of the business trip, which ends Sunday, was to deepen trade between the countries even as initiatives were being examined for closer economic and political ties.

The businessmen arrived here wednesday evening. They represent steel, pharmaceutical, agriculture, and other areas.

Haiti

Aristide Expresses Hope for Return to Power 'Within Weeks'

FL0906124893 Bonaire Trans World Radio in English 1100 GMT 9 Jun 93

[Text] Bazin, appointed by the military 9 months after the ouster of elected President Jean-Bertrand Aristide, now says he is in an impossible situation. The Finance, Commerce, Information, and Public Works ministers were fired by Mr. Bazin last Friday, but they announced on Monday that they would not leave their posts, arguing they would meet an agreement signed last year to form a consensus government.

A high-placed source in military headquarters said recently that Mr. Bazin fired the ministers in response to a conversation last week in which U.S. officials challenged the prime minister to prove that he was not, in their words, an Army puppet.

It is not yet clear how the resignation will effect U.S. and international efforts to secure the return of Aristide. Neither is there any idea who the new prime mininster will be. Joseph Nerette, the provisional president named immediately after the coup, declared that he was ready to take up the reins of government again.

Supreme Court president, Emile Jonassaint, who is 80, was also mentioned as a possible replacement, but according to the Haitian Constitution, President Aristide would have to nominate someone who would then be confirmed by the legislature.

Mr. Bazin is widely blamed by many for the rapidly deteriorating state of the country's economy. The Haitian currency, the gourde, has lost 20 percent of its value in the past two weeks and with the international community threatening to impose more sanctions, observers think that many who supported the coup of 1991 are no longer supporting it.

Meanwhile, in Managua, Nicaragua, Mr. Aristide has addressed a meeting of the Organization of American States, calling on them to send a high-level mission to Haiti to resolve the country's crisis. He made the call just hours after Mr. Bazin announced his resignation, and expressed hopes that he might be returned to power within weeks, or perhaps even days, he said.

Senate Branch Issues Statement, Urges Population 'To Remain Calm'

FL0906154193 Port-au-Prince Radio Metropole in French 1045 GMT 9 Jun 93

[Text] The branch of the Senate led by Senator Thomas Eddy Dupiton issued a statement last night saying that the current government is in charge of disposing of day-to-day state matters in compliance with Article 165 of the Constitution. The Senate office urges the population to remain calm and assures the population that parliament will neglect no opportunity to work out a solution as soon as possible in the general interest. Thomas Eddy Dupiton spoke for several hours with General Raoul Cedras and the Haitian Army High Command at Army Headquarters in Port-au-Prince. The country is at peace, and the country is in good hands, he said as he left Army Headquarters.

Situation in Capital Said 'Perfectly Quiet'

FL0906212393 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Jun 93

[Text] News of the resignation of Prime Minister Marc Bazin on 8 June was received with general indifference in Port-au-Prince and throughout the rest of the country. No citizen's reaction has been noted in the capital. People limited themselves to going home quickly, fearing possible disturbances. The situation, however, was perfectly quiet in the capital where uniformed policemen were, nevertheless, seen near gas stations, a usual security measure.

According to military sources, the Army was on a maximum state of alert, Condition D, with officers and troops called to quarters. Last night at 2100 there were still patrols in the area surrounding the National Palace. Soldiers, especially those in the Investigation and Anti-Gang Service or in the Port-au-Prince police, were in the area surrounding the National Palace and also on the roads, for example, the Carrefour Road. We noted while traveling the streets of Port-au-Prince on 8 June that large military operations were set up at the outposts. These posts were manned by those wearing the blue police uniform and not the green uniform of the military. People were in the streets in the downtown area and in Carrefour until 2300. Everything was quiet, there was no noise, and no gunfire was heard.

Parliament Convenes Chamber for 'Informal' Session

FL0906205593 Port-au-Prince Radio Metropole in French 1045 GMT 9 Jun 93

[Report by Ansy Rose Resignac—recorded]

[Excerpt] Today, the parliament has convened the members of the Chamber of Deputies for an informal session. The position of the legislative power on the situation created by the resignation of the prime minister of the Villa d'Acceuil Tripartite Agreement will be made known during the week.

According to the office of the Alliance Bloc in the Chamber of Deputies, talks were held between the Alliance senators. A meeting will be held on 9 June. Meanwhile, the office of the Chamber of Deputies has asked

the Council of Ministers to be in charge of taking care of day-to-day matters while awaiting a solution.

[Resignac] Right now, this is the only official stand in the parliament. The Alliance Bloc office of the lower chamber, presided by Movement for the Establishment of Democracy [MIDH] Deputy Antoine Joseph, refers to Article 165 of the Constitution to ask the Council of Ministers, including the four ministers dismissed by Marc Bazin, to assure the handling of day-to day matters while awaiting a solution to the new situation in order to form a common position or proposal in the lower chamber. Deputy Antoine Joseph intends to hold on 9 June an informal session with deputies from different leanings.

In a news conference held on 8 June after receiving the prime minister's resignation letter, Deputy Antoine Joseph, who considers the assembly the only supreme power, asserted that the position of the lower chamber could be known by the afternoon of 9 June. The lower chamber has the case in its possession. [passage omitted]

Meanwhile, the legislators seem to be divided on a solution. Some consider the application of Article 149 of the Constitution correct, while others evoke Article 148 to propose a national conference to find once and for all a national solution. Those differences prompt observers to show a certain pessimism as to whether the the legislators will reach the desired common position.

Bazin Appointees Deny Threats Made Against Them

FL0906160193 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Jun 93

[Excerpts] In a communique, Haitian Prime Minister Marc Louis Bazin announced his resignation as of 2000 GMT on 8 June: I will stop the exercise of my duties as prime minister as of 0400 this afternoon, due to pressures and a multitude of threats against the persons and families of those I chose as part of the new ministerial team, said Bazin.

This news has been denied at our microphones by three of the officials appointed by the prime minister. These are Pierre Mathurin, Charles Beaulieu, and Axan Abelard who say they were not subjected to any threat. We do not know whether this is true for the remaining person. [passage omitted]

According to witnesses, Bazin did not go to his office at the National Palace on the morning of 8 June. His close colleagues, who had their offices in the same building, were packing up and taking their files to [word indistinct]. His ministers were doing the same. [passage omitted]

Coordinator of Presidential Commission Remarks on Situation

FL0906220993 Port-au-Prince Radio Tropic FM in French 1600 GMT 9 Jun 93

[Passages within slantlines in Creole]

[Text] There is more reaction to the resignation of Prime Minister Marc Bazin. In an interview with Tropic FM, Father Adrien, coordinator of the presidential commission, said it is imperative to solve the problem of the Army before a new prime minister is designated. Adrien's commission says the National Front for Change and Democracy's, FNCD, plans of having the commission take power are unconstitutional.

[Begin Adrien recording] /We would be acting against the Constitution, which does not allow us to do that. Second, what is this story of taking power from the Army? If we did that, we'd be just what Daniel Fignole did. Are we again going to take power from the Army so that the Army can take it back? Let me remind you that when Daniel Fignole took power from the Army, he failed. Manigat took power from the Army, and the Army overthrew him. Bazin took power from the Army, and the Army overthrew him. Are we going to take power from the Army so it can overthrow us? The Army cannot give us power. The Army does not have power. The people hold the power. The people gave us power. We demand that the people's rights be respected. That is all. That is clear.

/How can we do it? In two ways. First, the Haitian people must stand more firm. I know that many people are tired. Many people can no longer deal with this situation. We must show that we will not take it anymore. We must stand up and say that enough is enough. Second, there is international support. It could be serious for the people in power now. They [not further identified] forced him to resign from power. Which means, they could not have their part of the cake, therefore they are spoiling it. Has the country not suffered enough. They want to make the country suffer even more. It is up to the (?military). It is time for this story to end. It must end./ [end recording]

Father Antoine Adrien the solution implies the following:.

[Begin Adrien recording] /It implies the return of the person the people elected. Second, cease with the putschist Army. Third, dismiss from the Parliament the people who were appointed./ [end recording].

Father Adrien was referring to the senators and deputies who came into the parliament as a result of the 18 January elections.

Jamaica

Bank Governor Rainford To Resign 12 Jun

FL0806154593 Bridgetown CANA in English 1423 GMT 8 Jun 93

[Text] Kingston, Jamaica, June 8, CANA—The Bank of Jamaica governor, Roderick Rainford, is resigning, effective Saturday [12 June], the official Jampress news agency reported. Rainford, a former Caribbean Community secretary general, is being replaced by Canadian Jacques Bussieres, a technical advisor to the bank since last January.

Jampress said Rainford's resignation from the Central Bank comes in the context of the "need to restructure and strengthen the Bank of Jamaica and his belief that this can best be undertaken by his making way for someone else to do the task." Announcement of the resignation followed unearthing of a multi-million dollar foreign exchange scam at the bank. Jampress said Rainford had agreed to make his services available to "further the process of regional economic integration."

Bussieres brings to the central bank 33 years of experience in international banking, including a position as governor of the Zambian Central Bank from 1990 to 1992. The news agency said he would focus on the restructuring of the Jamaican central bank. He has been appointed for two years.

Designated Governor Comments

FL0906231393 Bridgetown CANA in English 2042 GMT 9 Jun 93

[Report by Garfield Myers]

[Text] Kingston, Jamaica, June 9, CANA—A mandate to transform Jamaica's Central Bank into an entity more in line with an evolving market economy, will be carried out with strict adherence to the priciples of "accountability and transparency," says Jacques Bussieres, who takes over as the bank's governor this weekend. The 55-year-old Canadian, who along with the outgoing governor, Roderick Rainford, hosted a press conference here late Tuesday, also disclosed that his responsibilities will include the training of a successor from the ranks of the Central Bank.

Rainford, whose resignation effective Saturday surprised most observers here, confirmed that a multi-million dollar foreign exchange scam earlier this year which seriously embarassed the bank, proved pivotal in his departure. Bussieres, a technical adviser to the Bank of Jamaica since January, told journalists Jamaica's increasingly liberalised environment required a Central Bank that relied less on reserves, moral suasion, and control and more on financial markets to implement its monetary policy.

"The Central Bank needs to foster the development of a money market, a bond market and an exchange market so that monetary policy can be implemented....", he said.

Such a process required the development of the relevant capacity at the Central Bank which he said had a staff that was "very talented, well qualified, and trainable."

Bussieres, with 33 years experience in international banking, including two years as Zambia's Central Bank governor, said the mandate given him by the Jamaican Government included ensuring that "by the time I leave, the Central Bank will produce a governor from its own ranks."

Noting that he was taking the job with "some trepidation," Bussieres pointed out that a Central Bank "is not like any other financial institution. It has the mandate of protecting the domestic currency—it is the banker of the government and the commercial banks. But, most importantly, it has the responsibility of supervising the financial system."

He conceded that being a foreigner could make his job more difficult, but said it could also be an asset since he would not be hampered by "history and traditions."

Explaining his decision to step aside after just eight months as Central Bank governor, Rainford, a former secretary general of the Caribbean Community (Caricom), said he had taken the job in the first place expecting that there would have been "a surrounding environment and framework of public confidence...."

But, he said, "from the inception of my incumbency there were a number of unexpected and unanticipated fires erupting which had to be put out." The most critical, said Rainford, were "the major developments concerning the foreign agents system."

The "developments" included the dismissal of three senior members of the Central Bank including two deputy governors, following the recommendations of a commission of enquiry by a former Central Bank governor, Horace Barber.

The enquiry was set up by the government following allegations of fraud, said to amount to millions of dollars, allegedly carried out by persons buying foreign exchange on behalf of the Central Bank. Opposition leader Edward Seaga, also charged that the Central Bank was buying hard currency at rates above those being quoted by the banks.

Rainford told journalists that while he did not believe the controversy had shaken "the fundamental strength of the bank," he felt it had undermined and compromised the environment which he desired.

"...Although I personally still warm to the challenge.... I think I came to a realistic assessment that in the context of the changing environment and the need for us to press

on inexorably with the strengthening and transformation of the institution, it was good judgment for one to step aside," he said.

He asserted that it was "purely co-incidental" that his resignation comes in the same week as the scheduled tabling in Parliament of the 1993-94 budget on Thursday.

"This (his resignation) has been in discussions for some time. It is not a sudden matter, although it may appear to be so," he declared.

Rainford said he had accepted an invitation by the government to assist in the strengthening of Jamaica's role in regional economic integration, but said no "hard decisions" had yet been taken.

St. Christopher and Nevis

Government Calls For 'Democratic' Settlement of Guatemalan 'Crisis'

FL0506154993 Bridgetown CANA in English 1222 GMT 5 Jun 93

[Text] Basseterre, St. Kitts, June 5, CANA—The Government of St. Kitts and Nevis has called for a settlement of Guatemala's political crisis "by peaceful and democratic means." Guatemalan President Jorge Serrano seized sweeping powers in a "self-coup" on May 25. Serrano's brief near-dictatorial rule was ended in a bloodless, Army-led palace coup on Tuesday, and vice-president Gustavo Espina declared himself president the next day. The Central American nation's constitutional court on Friday gave the Congress 24 hours to find a new leader, ruling Espina ineligible to succeed Serrano.

In a statement, the St. Kitts and Nevis Government said people here were "firm in our conviction that the problems of Guatemala, however difficult, can be resolved by peaceful and democratic means." It added: "It is our sincere hope, therefore, that every step will be taken to ensure that the situation in Guatemala returns to a state of normalcy in the interest of the continued growth and development of the Guatemalan community. Hence we fully endorse and actively support the actions being undertaken by the Organisation of American States (OAS), in respect of the consultations being held for the purpose of assisting with the restoration of constitutional democracy to Guatemala."

Aubrey Hart, St. Kitts and Nevis' acting permanent representative to the OAS, is representing the twin-island state at the consultations. St. Kitts and Nevis opened diplomatic relations with Guatemala on October 23, 1992.

Trinidad and Tobago

Union Demonstrators Protest Manning's European Trip

FL0706180593 Bridgetown CANA in English 1624 GMT 7 Jun 93

[Report by Linda Hutchinson]

[Text] Port of Spain, Trinidad, June 7, CANA—A group of demonstrators greeted Trinidad and Tobago Prime Minister Patrick Manning at Piarco International Airport Sunday evening, on his return home from a two week trip to Jamaica, the United Kingdom and Germany.

The demonstrators, mostly workers of the state-owned Trinidad and Tobago Electricity Commission (TTEC) and their union, the Oilfields Workers Trade Union (OWTU), carried placards, yelled anti-government slogans, and accused Manning of "selling out" the country during the trip.

TTEC workers are protesting moves by the government to privatise the loss-making utility company.

Manning told reporters his 18-month old People's National Movement (PNM) government was considering a number of options to make TTEC's generation capacity adequate to meet the demands of modern industrial expansion.

But he made clear the government's divestment plans for a number of state enterprises, joint and minority holdings companies, would not change despite trade union criticisms.

"The population voted for the PNM and we interpreted that as an endorsement of our policies," Manning said. "What we cannot afford is to be ambivalent in this area. This is a clear policy position."

Manning said government now had to mount a programme to fully sensitize the public about its divestment programme.

While in Germany, Manning, who was accompanied by Junior Finance Minister Ken Valley and Energy Minister Barry Barnes, signed a memorandum of understanding for establishment of a third methanol company costing US235 million dollars, to be located in central Trinidad.

Manning and Valley are expected to formally report to the Parliament on the trip.

Both the Commonwealth Development Corporation and the German Development Bank have expressed interest in the methanol plant, Manning said.

Speaking about the trip during which he held some 42 meetings with business, finance and investor representatives in the UK and Germany, Manning said the government signed a letter of intent with the UK Government, assuring investors of protection of their investments in Trinidad and Tobago.

Barnes said there was growing investor interest in the energy sector here, noting meetings they had with several companies including British Gas, Premier and Shell.

Barnes said Premier wanted to do additional offshore exploration in conjunction with the Petroleum Company of Trinidad and Tobago (Petrotrin). Officials from Premier are expected in Trinidad at the end of the month for further talks.

Shell was interested in exploration in the northern Caroni basin as well as in joint offshore exploration in the Gulf of Paria, Barnes said. Follow-up talks are expected during the middle of the month between Shell and the government.

As for British Gas, its interest is in the offshore north coast area, where Barnes said there were a number of unexplored gas fields.

Manning also visited Belgium during the trip, and used the opportunity to sign an agreement with the European Economic Community (EEC) for a grant which will assist in the building of community centres, sporting and other facilities.

El Salvador

Telecommunications Delegation Involved in Aircraft Accident

Antel President Suffers 'Minor' Injuries

PA0906183593 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 9 Jun 93

[Report by Neri Mabel Reyes]

[Text] I have information on an accident that a delegation from the National Administration for Telecommunitions [Antel], headed by its president, Saul Suster, suffered this morning.

We received confirmation that Antel President Saul Suster suffered only minor injuries. Jorge Alberto Vasquez died in the accident, which occurred on the landing strip at the border area of El Amatillo in eastern El Salvador.

Antel Public Relations Chief Monica Ricardes suffered minor injuries, according to a report issued by Antel officials in eastern El Salvador. Other technicians, who made up a delegation that was traveling to El Amatillo this morning to inaugurate works to upgrade telephone service, were also injured when the aircraft they were traveling in had a mechanical failure.

Government Rules Out Cristiani in Crash

PA0906185793 Mexico City NOTIMEX in Spanish 1816 GMT 9 Jun 93

[Excerpt] San Salvador, 9 Jun (NOTIMEX)—One person died and five others were injured, including Saul Suster, president of the National Telecommunications Enterprise (Antel), when the helicopter in which they were traveling crashed.

Reports from Tegucigalpa had stated that President Alfredo Cristiani might have been aboard the helicopter but the Salvadoran Government has ruled out this possibility. [passage omitted]

Deputy Advocates Withdrawal of FMLN Party Status

PA0906233793 San Salvador EL DIARIO DE HOY in Spanish 7 Jun 93 pp 10,56

[Text] Deputy Guillermo Guevara Lacayo, member of the Authentic Christian Movement [MAC], said that if the Farabundo Marti National Liberation Front [FMLN] does not criticize or oust from its ranks the armed Peoples Revolutionary Army [ERP] and the Farabundo Marti Peoples Liberation Forces [FPL], the FMLN's actions will be illegal. Thus, Guevara noted, the Supreme Electoral Tribunal [TSE] should cancel the FMLN's status as a party.

Guevara stated: "If the FMLN as a party does not agree with the armed struggle it must criticize or oust the FPL and demand that they turn over all their weapons.

"If the FMLN does not do this, they will have become collaborators and share responsibility for possessing weapons. Therefore, from my point of view, their political actions violate the Constitution and the democratic system."

The MAC deputy said that worrisome incidents have taken place lately, such as the demonstration by the war disabled who confronted riot police and even fired shots at the officers. Guevara noted, however, that those actions do not justify the Police's overreaction.

Guevara recalled that "some FMLN leaders, mainly Shafik Handal and Joaquin Villalobos, made disturbing and inappropriate statements" after the incident. Villalobos said he would not be able to hold his people back and that there was danger that the armed struggle could be resumed.

He said the discovery of an FPL weapons cache in Nicaragua and another of the ERP in the Nejapa area was also cause for concern. These things lead one "to believe that the FMLN and some of its organizations have not given up the armed struggle as a method to obtain power and solve the nation's problems," Guevara noted.

Guevara added that the aforementioned issues lead one to believe there was deceit and fraud, not of the Salvadoran Government but of the people, as the FMLN had made a commitment to give up the weapons and accept the democratic system to present its political platform.

Moreover, it is also a matter of concern that the UN Observers for El Salvador [Onusal] certified to the TSE that the FMLN no longer possessed weapons; in other words, that it was a disarmed group. As such, its registration as a political party did not violate Article 7 of the Constitution that prohibits the existence of armed groups as political organizations.

The MAC deputy asks: What will happen now that Onusal has recognized the FMLN's close ties to the weapons found in Nicaragua? Should the TES cancel the FMLN's status as a political party? Is the existence of armed political parties that can instill fear and force citizens to vote in their favor democratic?

Defense Minister Presents Draft Bill on Army Charter

PA0906122693 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Jun 93

[Text] Defense Minister General Rene Emilio Ponce on 8 June presented to the Legislative Assembly a draft bill on an Army charter that includes the Army's reorganization and restructuring in accordance with the peace agreements.

The draft bill handed to the Assembly political commission deputies outlines the new military doctrine resulting from the April 1991 changes in the Constitution. Ponce explained that the draft bill represents the first legal change in military organizational matters in the past 27 years and will lead the Armed Forces into a process of modernization and preparedness for democracy.

[Begin Ponce recording] In a democratic Armed Forces the cornerstone of the organization, which is discipline, is lost. We do not want to leave an Armed Forces in which consensus rules the day. No, a vertical disciplinary chain of command must continue in the institution. I repeat, we are not seeking or training a democratic Armed Forces, but an Armed Forces for democracy—something quite different. [end recording]

The Armed Forces draft bill includes, according to Minister Emilio Ponce, that a subordinate should not have to obey a superior's order if this violates the established legal and regulatory framework.

Ponce, who will retire on 1 July, reiterated the need to reestablish fully the people's trust in the peace process, upset by the recent discovery of weapons owned by the Farabundo Marti National Liberation Front [FMLN].

[Begin Ponce recording] For us the peace process continues to be irreversible, but these actions only serve to increase mistrust at home and abroad. I also believe that the Supreme Electoral Tribunal [TSE] should take this situation very much into account because under Article 7 the Constitution does not allow for a legally registered political party to have the backing of an armed group. [end recording]

The military chief said the TSE should even temporarily suspend the FMLN as a political party until they hand over all the weapons they used during the war, which they promised the United Nations they would do.

Guatemala

National Consensus Coalition Calls For Deputies' Resignation

PA0906222493 Guatemala City Teleonce Television in Spanish 1800 GMT 9 Jun 93

[Text] The National Consensus Coalition on 9 June called for the resignation of 116 deputies to purge the Guatemalan Congress.

So far 39 deputies from the National Vanguard Party, the Guatemalan Republican Front, the Union of National Center [UCN], the National Front For Change, which is composed of UCN dissidents, and the Democratic Socialist Party have presented their resignations.

Mr. Victor Suarez, acting coordinator of the Consensus Coalition, delivered the resignations to Guatemalan Congress President Jose Lobo Dubon at noon today,.

Nicaragua

Lacayo, Politicians Said 'Visibly Annoyed' by Wharton Speech

PA0906161993 Managua EL NUEVO DIARIO in Spanish 8 Jun 93 pp 1, 8

[Report by Aura Lila Moreno]

[Excerpt] Apparently the OAS resolution to suspend petroleum supplies and commercial flights to Haiti will turn out to be simple rhetoric as, less than 24 hours after being approved by the foreign ministers, the U.S. delegation made it very clear that the resolution is not an imposition, not even a request.

During a news conference, Assistant Secretary of State Clifton Wharton and Bernard Aronson, who still is assistant secretary of state for Latin America, said the OAS resolution supporting the Haitian people and its overthrown president Jean-Bertrand Aristide "is nothing more than a recommendation" to the member states of the inter-American organization for them to "analyze" and "study."

Aronson, who was the leading voice on this theme, said the resolution could not even be considered a call to the countries of the hemisphere to decree a petroleum embargo and suspend commercial flights to Haiti, and that, therefore, "it is a topic that merits a more profound analysis."

Such statements, according to political analysts, come to form part of what has been repeatedly said about the military coup against President Aristide 20 months ago having been instigated by the United States.

It was then that the terrible phrase used by former Secretary of State Henry Kissinger became well known. Kissinger called Aristide "a malign pest." That is why analysts believe that, after 20 months, the United States no longer has the slightest interest in returning the overthrown president because he is "a man of principle."

Ever since the gringos arrived here, it has seemed as though they have come only on a "stroll" [paseada]. On 8 June, during a reception at the U.S. Embassy, Wharton unexpectedly gave a totally unfortunate speech that left everyone present with the impression that he was "more lost than a dog during a parade."

EN NUEVO DIARIO was able to learn some inside information about what took place during the reception, including that Wharton insistently asked if there were any APO-UNO [Political Opposition Alliance-National Opposition Union] representatives present. He asked this as he stood scarcely two meters away from Vice President Without Portfolio Virgilio Godoy.

During part of his unusual speech, the assistant secretary of state started to praise some well known right-wing politicians, among them Emilio Alvarez Montalvan, Pablo Antonio Cuadra, Lino Hernandez, and even Cardinal

Miguel Obando y Bravo. Wharton was so lost that he even included Supreme Electoral Council President Mariano Fiallo Oyanguren.

To make matters even worse, Wharton completely overlooked the government and President Violeta Chamorro. As result of this, when he concluded his speech, the Nicaraguan Government representatives, including Presidency Minister Antonio Lacayo, and several other politicians rose and withdrew from the reception hall visibly annoyed.

According to our source, those present at the reception reacted with outrage to Wharton's speech because they considered his words completely interventionist, since he had also said that all members of the government, including President Violeta Chamorro, should resign to benefit the country.

When the U.S. Embassy officials noticed that their boss "had put his foot in his mouth," they started asking what had happened in a very concerned manner. Minister Lacayo was so annoyed that he immediately demanded a private meeting with Wharton, who rapidly agreed. Previously and during the same reception, when Wharton noticed that he was in trouble, he started going around explaining to anyone who would listen that he did not even know the right-wing politicians mentioned in his speech.

As result of this, everyone went around "blaming" Aronson and pointing out that he had written Wharton's speech.

Apart from this, during his news conference Wharton announced that he would be departing on 8 June for Guatemala to congratulate personally new President Ramiro De Leon Carpio. In addition, he would be discussing "the Guatemalan president's new plans and priorities" and would "reaffirm U.S. support for democracy." [passage omitted]

* Sectors Agree on Dialogue Topics

93CA0129G Managua LA PRENSA in Spanish 6 May 93 pp 1, 12

[Article by Fidelina Suarez M.]

[Text] The five sectors that met with the government in a series of bilateral talks ending Tuesday reached agreement on 20 points, out of a total of 73 variables set forth by them in documents they submitted to the President's Office.

Property rights, constitutional reform, economic reactivation, and the restructuring of the high command of the Sandinist People's Army (EPS) are the main points of agreement among the National Opposition Union (UNO), the Permanent Congress of Workers (CPT), the Higher Council of Private Enterprise (COSEP), the National Union of Farmers and Cattlemen (UNAG), and the Centrist Group (GC).

Thus, economic and political considerations go hand in hand in the thinking of these business, labor, and political groups. In addition, the National Workers Front (FNT) and the Sandinist Front will also make demands; their documents had not yet been received by this newspaper at press time.

The reactivation of the economy was also regarded as a fundamental premise by these five sectors. Some are concerned about the recession that Nicaraguan businesses face, while the unions are worried about the high rate of unemployment.

The social sphere was not neglected by these sectors, which emphasized the urgent need to improve social conditions, and to ensure the safety of citizens so that national production can be boosted.

In addition to property rights, constitutional reform, economic reactivation, and social issues, other points of agreement were credit, tax reform, the restructuring of the high command of the Army, and the protection and preservation of the environment. The latter topic was chosen by only two sectors, the UNAG and the Centrist Group.

According to statements by the leader of the National Workers Front, Lucio Jimenez, his organization agrees with the CPT on several points regarding employment and the wages earned by Nicaraguan workers.

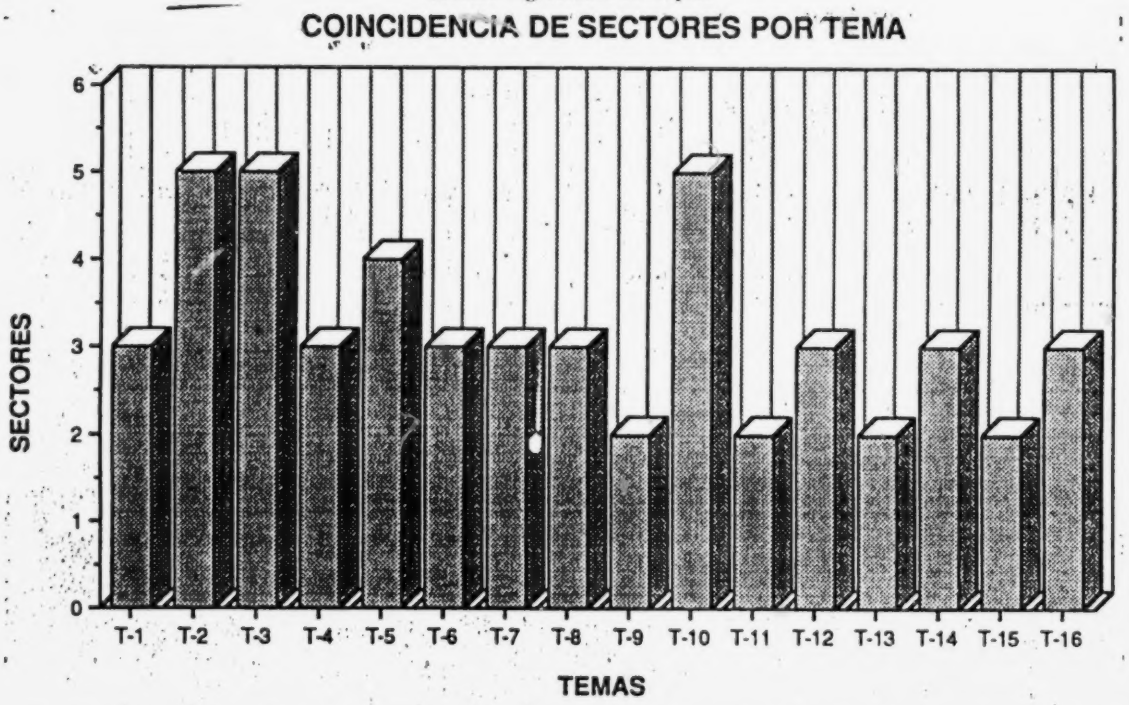
LA PRENSA presents here a list of these points of agreement so that our readers can form an opinion on the results that may emerge from this first round, which comes to a close today after the meeting yesterday afternoon of the Sandinist National Liberation Front delegation.

Table of General Points of Agreement

Topics	Agreement				
	UNO	CPT	COSEP	UNAG	GC
1. Observance and strengthening of human rights	x		x		x
2. Reform of Nicaraguan Political Constitution	x	x	x	x	x
3. Return of confiscated property	x	x	x	x	x
4. Restructuring of EPS high command	x	x			x
5. Reactivation of economic situation	x	x	x		x
6. Improvement of social situation	x	x			x
7. Fulfillment of Government Program, with emphasis on social area	x	x			x
8. Adoption of pro-civilian line by government	x	x			x
9. Promotion of public, private, and foreign investment		x			x
10. Program of economic reactivation aimed at agriculture-livestock sector	x	x	x	x	x
11. Financing of small and medium peasant holdings		x			x
12. Tax reform		x	x	x	
13. Eliminate sales tax on services and products in basic basket		x	x		
14. Legal and financial guarantee of workers' property ownership		x	x	x	
15. Property deeds for peasants benefiting from agrarian reform		x		x	
16. Devise pro-development tax policy		x	x		x
17. Restructure producers' debts			x	x	
18. Accelerate issuance of property deeds		x	x		
19. Protect and preserve the environment				x	x
20. Work together to forge national commitment		x			x

In yesterday's edition, LA PRENSA presented its readers with a general table of the 83 points brought by the various sectors to the first round of pre-dialogue talks. Based on that chart, we now present a chart covering the 20 variables or topics on which there was agreement among the five of the seven sectors that had participated in the talks up until yesterday.

Sectors' Agreement on Topics



El gráfico construido sobre el cuadro que presentamos en primera página, refleja las coincidencias de los sectores por tema. La expresión T-1, T-2, etc., hace referencia a los temas listados en el cuadro de la primera página. Como se observará las reformas a la Constitución Política, la devolución de la propiedad confiscada y la reactivación económica presentan un 100% de coincidencia entre los 5 sectores.

This graph, based on the table shown on page 16, shows the number of sectors agreeing on each topic. The terms T-1, T-2, etc., refer to the topics listed in the table on page 16. As can be seen, the topics of constitutional reform, return of confiscated property, and economic reactivation show 100-percent agreement by all five sectors.

Key:
1. Sectors
2. Topics

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* Budget Favors Health, Education, Defense

93CA0129F Managua NEGOCIOS (EL SEMANARIO SPECIAL SUPPLEMENT) in Spanish 29 Apr-28 May 93 p 11

[Text] The national budget for 1993 has been cut in real terms from the 1992 totals, both in the bill submitted by the administration to the National Assembly and in the budget law passed by the legislature. This reduction means that the central government will have $95,394,820 less to spend than last year.

The approval of the budget by the National Assembly was not debated as thoroughly as it should have been. In a relatively short period of time, the Sandinist bloc and the deputies of the centrist group approved the report issued by the Committee on Economic, Financial, and Budget Affairs, in the absence of deputies of the National Opposition Union (UNO). Previously, the committee had limited itself to transferring funds from one institution to another without changing the totals suggested by the government for current, capital, and investment spending.

One deputy of the opposition coalition commented: "The Committee on Economic Affairs is made up of five deputies of the Sandinist National Liberation Front (FSLN), one of the centrist group, and two of the UNO. If you considered that, plus the fact that the UNO was absent from the session, you did not need a crystal ball to figure out what would happen."

Carrot and Stick

The big winner in the allocation of government funds was the Ministry of Education (MED), one of the few to get an increase in its budget estimated in dollars. The MED budget alone has the greatest relative weight in the structure of government spending. The small gap between the Ministry of Health (MINSA) and the MED appears to support the government's assertion that it is giving priority to social spending, although the dollar figure for this institution's allocation has declined.

The Defense Ministry lost about $6 million from its approved budget, but it gained a few points in its relative weight. Its budget is now the third largest in the government. Thus, the Sandinist People's Army (EPS) is assured of a steady flow of money from the government's coffers, in addition to whatever other revenues it may generate, as it has done before.

President Chamorro, in a letter to Dr. Gustavo Tablada, acknowledged that the reduction in the budget is due in part to "recommendations from and commitments to the international community" derived from the meeting of donors held in Managua on 3 and 4 December 1992. The reduction of the government budget for the purpose of freeing up resources to reactivate production was a concern of the donors in view of the scarcity of resources for the private sector.

What at first glance might appear to be a reduction in public spending, however, could become a higher level of spending by the end of the year, as the administration has broad discretionary powers in executing the budget. For example, while the Committee on Economic Affairs was studying the budget bill for 1993, its members did not yet know what the actual disbursement of the 1992 budget was.

From this standpoint, the current budget is of relative value. Adjustments will be made in its execution throughout the year, especially if there is another devaluation affecting the outlays of the central government, particularly with regard to imports and salaries.

In addition, the government has other sources of revenue, some of them unforeseen, which in the past have not been incorporated into the budget of national revenues. They could be used ultimately to finance spending not included in the original budget, as was demonstrated last year when military equipment was sold to Peru.

National Spending Budget in U.S. Dollars

Institution	1992 Proposed Budget	%	1993 Approved Budget	%
Ministry of Education	56,147,100	10.84	80,533,340	19.06
Ministry of Health	84,363,138	16.29	80,254,440	18.99
Ministry of Defense	42,757,577	8.26	36,500,000	8.64
Interior Ministry	35,336,377	6.82	33,084,326	7.83
Ministry of Construction and Transportation	65,940,371	12.73	30,481,864	7.21
Public Debt Service	53,127,600	10.26	28,846,335	6.83
Institute of Natural Resources	12,848,020	2.48	19,968,790	4.73
Social Affairs Ministry	0	0.00	17,710,543	4.19
Ministry of Foreign Relations	15,250,570	2.94	15,580,388	3.69
Ministry of Finance	11,132,702	2.15	11,665,353	2.76
Ministry of Agriculture and Livestock	15,657,015	3.02	9,659,681	2.29
Supreme Court of Justice	8,172,571	1.58	7,395,777	1.75
MEDE	4,824,182	0.93	6,477,018	1.53
Ministry of the Presidency	7,969,768	1.54	5,939,624	1.41
National Assembly	7,052,112	1.36	5,876,761	1.39
National Technological Institute	9,246,005	1.79	4,839,450	1.15
Supreme Electoral Council	2,667,018	0.51	4,054,813	0.96
National Institute of Sports	3,245,540	0.63	3,470,879	0.82
National Institute for Agrarian Reform	5,937,691	1.15	3,174,843	0.75

National Spending Budget in U.S. Dollars (Continued)

Institution	1992 Proposed Budget	%	1993 Approved Budget	%
Nicaraguan Municipal Development Institute	2,779,617	0.54	2,890,707	0.68
National Culture Institute	1,610,422	1.31	2,105,740	0.50
Ministry of Foreign Cooperation	1,668,761	0.32	2,036,829	0.48
Ministry of Labor	2,743,339	0.53	1,954,213	0.46
Ministry of Tourism	0	0.00	1,945,750	0.46
Atlantic Region	607,071	0.12	1,733,503	0.41
Attorney General's Office	1,228,970	0.24	1,543,622	0.37
Comptroller's Office	1,359,637	0.26	1,499,361	0.35
Contingencies	1,779,965	0.34	1,041,666	0.25
National University Council	0	0.00	159,440	0.04
Emergency Social Investment Fund	0	0.00	93,135	0.02
INCINE	0	0.00	16,667	0.00
Others	62,476,537	12.06	0	0.00
Total	517,929,676	100.00	422,534,856	100.00

Source: Compiled based on data from INIESEP

* Working Conditions in Free Trade Zone Described

93CA0129E Managua BARRICADA in Spanish 6 May 93 pp 1, 6

[Article by Luis Valverde]

[Text] Worker participation in management is a thing of the past in the so-called Las Mercedes Industrial Free Zone. At the eight assembly plants installed there, the owners and management have imposed the "rules of play" without discussion, in view of the defenseless legal and labor situation of the 1,600 employees who have been working there since 1992.

Management has the power to make unilateral decisions on labor discipline, production quotas, and meal schedules, among other things. There is no longer any worker participation in the zone; today the workers either accept the "conditions" or leave.

The assembly plants operated by FORTEX, Neptuno, Velcas Internacional, Ronaco, Nicalum, Crecen, and Eko de Nicaragua employ 60 percent of the work force once employed by the defunct National Clothing Enterprise (ENAVES), which at its peak had a payroll of 1,500.

In the "new face of Nicaragua," as the government dubbed the Free Zone last December, unions enjoy none of the socioeconomic benefits they won when the firms were managed by the Sandinist government.

For example, there used to be cafeterias at the factories. Today, the workers must take their meals outdoors, under the intense midday sun. They are not provided with transportation, or with the basic basket of goods.

If an employee does not show up for work, she must present a credible excuse, and if she has an appointment at Social Security, the time is deducted from her paycheck.

While some of the workers resent the prevailing working conditions in the Free Zone, others claim to be satisfied, "because we work at a piece rate, so you work your tail off, but you earn quite a bit," commented Daysi Guevara, who works at Velcas Internacional.

Guevara says she earns up to 350 cordobas a week under that system. Last week, she also earned a basic basket full of different products as a reward for her punctuality and efficiency.

Employees who exceed production quotas earn up to 350 cordobas per week, but those who do not reach the production target risk being replaced by unemployed workers, who throng to the factory gates every day looking for work.

No Unions

This new situation on the job has had a major impact on the new generation of workers who entered the job market during the 1980's, when the Sandinists gave greater priority to worker participation in management and to labor contracts that favored the workers.

None of these factories is unionized. Management does not explicitly reject the idea of unions, but it obviously

does not encourage the organization of unions and the climate is not propitious for it.

Steven Chang, general manager of the Taiwanese company FORTEX, one of the largest employers in the zone, stated that there are plans to expand the factory to employ some 3,000 people. At present, 600 workers are employed making blue jeans and shirts to export to the United States.

Several employees of this firm complained about the poor conditions in which they must work. The payroll currently stands at 600, compared to 400 seamstresses who used to work at the plant when it belonged to ENAVES.

Chang stated that the crowded conditions will end when the administration of the Free Zone turns over a second building to them so that they can install the rest of the machinery. As for production quotas, which the employees call "very high," the official said that they are only 80 percent of Taiwanese standards.

He added that FORTEX plans to carry out social projects, such as the construction of a dining hall for the workers, "but that will not be until the firm begins to make a profit." In other words, the Taiwanese subscribe to the motto, "Use the animal's own hide to make its halter" ["del mismo cuero salen las coyundas"].

"I do not like unions that ask for things that are not justified by production," declared Chang.

At the Velcas Internacional textile and clothing assembly plant, the worker-management relations are more in keeping with modern times. Elizabeth de Velasquez, vice president of the board of directors, says that she is in constant communication with her 500 employees.

Although there is no union at Velcas, either, the workers are paid a piece rate, and they get overtime when the management needs to fill orders for ready-made clothing coming in from American department stores.

Finally, Flor de Maria Cisneros, an official in the Wage Division of the Ministry of Labor (MITRAB), confirmed that the ministry does not have the power to review production quotas in the Las Mercedes Free Zone. "The company has a right to impose quotas, and they depend on the level of technology," she indicated.

Ligia Orozco, of the Secretariat for Women at the Sandinist Central Organization of Workers (CST), acknowledged that the crisis represents a stumbling block for her organization. She revealed that the CST is trying to gather information on how free zones operate in other countries.

Factories in the Free Zone

Company	Ownership	Employees
Fortex	Taiwanese	600
Velcas	Nicaraguan	500

Factories in the Free Zone (Continued)

Company	Ownership	Employees
Ronaco	Italian-U.S.	131
Nicalum	Nicaraguan Government	60
Crecen	U.S.	50
Eko de Nicaragua	Nicaraguan	80

* Unemployment Affects All Social Classes

93CA0129B Managua LA PRENSA in Spanish 7 May 93 p 10

[Commentary by Maria C. Tigerino]

[Text] At the house where I am staying in Managua, a very polite young man does the gardening and janitorial work. He says that he earned a degree in agriculture and livestock management at the Central American University, but he cannot find a job. The husband of a friend of mine is an agricultural scientist who has had to settle for a lowly administrative job that pays a mere 1,000 cordobas, barely enough to buy food for a month in this country, with nothing left over for any other needs. In an agricultural country, I wonder, do we not need the services of professionals with training in this vital field?

Unemployment has reached alarming proportions in Nicaragua: between 60 and 70 percent. This may explain the endless procession of vendors in the street. I wake up every morning to the desperate cries of adults hawking bread, tortillas, candy, fruit, and every other imaginable product.

The cries of bootblacks, plumbers, gardeners, and carpenters offering their services echo in the streets and tear at one's heartstrings. The parade continues all day long and into the night, and it does not stop on weekends. On Sunday afternoons, a classic time of rest, one sees them walking by, their backs bent in fatigue, their faces scorched by the sun. The great Pablo A. Cuadra writes in his poetry about peasants who walk down the road by twos, by tens, by hundreds, by thousands. The same can be said of the unemployed in our long-suffering country.

The unemployed have children. At breakfast time, a child knocks on my door. Barefoot and ragged, he asks for something to eat. I give him a sandwich. What will he have tomorrow to ease his hunger? Children of all ages stand on street corners begging, cleaning windshields in exchange for coins or insults, selling newspapers or any other good. When I visited the psychology department at one of the universities, looking into possible research topics in the area, the adviser told me that many students have written theses on the personality of the children in the street. It is perfectly understandable that compassionate analysts of the human psyche would be worried about the future of this legion of children who have been abandoned to their fate and robbed of a happy, carefree childhood. The stories told on the Mexican soap operas,

broadcast on the government channel, about street urchins who come into unexpected wealth, hold out a sad hope, a glaring irony.

This is the other side of the coin in Nicaragua, the other face of the economic progress I mentioned in a previous article: the poverty of many against the wealth of a few.

How are the politicians of all stripes doing? Very well, thank you; fighting for their share of power. Government officials? Very comfortable. The privileges of power are very beneficial. Nicaraguans? Paying out of their own flesh the price of the errors of the past.

Panama

Verdict for Noriega Commanders Criticized

PA0906144193 Panama City EL PANAMA AMERICA in Spanish 9 Jun 93 p 4 A

[Editorial: "Justice in Action"]

[Text] Eliminating from the administration of justice the sluggishness and listlessness that elicits skepticism from the community, Fourth Criminal Judge Damaris Almengor has sentenced the unconstitutional former President Manuel Solis Palma—currently in exile in Venezuela—and Benjamin Colamarco and Arturo Marquinez, the so-called commanders of the Dignity Batallions, to 44 months and 10 days in prison.

Many thought the sentence a light one for those who not only conspired against state security, but directed criminal acts of repression and physical violence against politicians and common citizens alike during the military dictatorship. They illegally recruited murderers and thugs from the slums to form Cuban-style caricatures of defense militias, wasting millions of national treasury dollars in the process.

If a more diligent investigation had been made of the total amount of misappropriated funds, their use, and the abuse of these government funds, which frequently ended up in private hands, the sentence against these addicts of dictatorship would probably have been greater. As it stands, they may well be freed within three months, as they have already spend 40 months under arrest.

In the case of Solis Palma, the sentence will continue to be suspended until he appears before the court to answer for his political participation in the actions of these battalions.

Even so, it is satisfactory to see how quickly the judicial system is processing the soldiers and civilians arrested since the Noriega regime fell. We cannot overlook, however, the effects that endless maneuvers by defense attorneys have on delaying justice. Little by little the courts are beginning to deal with such somber affairs as the Hugo Spadafora murder and others, for the tranquillity of the people who witnessed Noriega's criminal impunity in awe and outrage.

Justice takes action in defense of the life, the honor, and the property hacked away by the Noriega years [el norieguismo].

Bolivia

President Comments on 6 Jun Elections

PY1006024893 La Paz Television Nacional Network in Spanish 0000 GMT 10 Jun 93

[Excerpts] President Jaime Paz Zamora met this afternoon with reporters accredited to government house to express his opinion about the results of the elections and about the political events being experienced by the country. We have a report by Tania Sandoval:

[Begin recording] [Sandoval] President Jaime Paz Zamora delivered a message to the nation from the government house this afternoon. President Paz congratulated the Bolivian people for their participation in the 6 June elections and for their political maturity in consolidating the people's vote as a constitutional mandate. [passage omitted]

[Paz Zamora] I would like to congratulate all Bolivians, because we have provided a new democratic example in Latin America. There was really massive and enthusiastic participation by the people. What I would like to point out is that the 6 June elections have produced a clear result, with a clear winner, who is the candidate for the Nationalist Revolutionary Movement, Gonzalo Sanchez de Lozada, whom I congratulated personally last night. This clear result will have to be ratified in Congress in accordance with the Constitution, because a 51 percent absolute majority was not achieved.

[Sandoval] President Paz also signed Supreme Decree 23523, creating a transition team made up of the foreign, interior, presidential, and planning ministers. They will be in charge of providing the political parties that will be part of this government with the information and elements that need to be considered in preparing their administration. This team will be the official intermediary in satisfying the requirements of the political parties, and will coordinate their relationship with the different executive offices. [passage omitted] [end recording]

[Madrid EFE in Spanish at 2333 GMT on 9 June 1993 reports that President Jaime Paz Zamora proclaimed Gonzalo Sanchez de Lozada his successor during the news conference. EFE reports that Paz said: "For internal and external purpose I must convey to the people that Bolivia already has a president-elect who will be installed on 6 August." According to the report, Paz admitted that Sanchez de Lozada's election must be ratified in Congress.]

Gen. Banzer Withdraws Candidacy for President

PY0906183693 Madrid EFE in Spanish 1656 GMT 9 Jun 93

[Excerpts] La Paz, 9 June (EFE)—General Hugo Banzer today withdrew his candidacy for president of Bolivia. The president will have to be elected by Bolivia's Congress on 6 August.

The Patriotic Accord (AP), which fielded Banzer as a presidential candidate, polled the second largest number of votes in the general election held on 6 June in Bolivia, trailing behind the National Revolutionary Movement (MNR). The MNR could not win an absolute majority, so its candidate, Gonzalo Sanchez de Lozada was unable to be directly proclaimed president.

Banzer stated today that "in light of the official vote count released so far that shows that Mr. Sanchez de Lozada is well ahead both in the number of votes polled and in parliamentary seats won, and pursuant to norms of democratic behavior.... I wish to officially announce that I have decided to waive the constitutional right to run for the Presidency of the Republic." [passage omitted]

Banzer further stated that he will tell AP congressmen to facilitate the election of Sanchez de Lozada as president of the Republic in Congress on 6 August.

Banzer added: "I take this decision imbued with patriotism and to ward off the possibility of seeing the country plunged into a period of uncertainty during the next 60 days." He said he will personally inform Sanchez de Lozada about his decision today.

This is the fifth unsuccessful attempt made by the retired general, 67, at winning the Presidency democratically; he ruled the country as Bolivia's "de facto" president from 1971 to 1978 following a coup d'etat.

Sanchez de Lozada Proclaims Himself 'President-Elect'

PY1006030793 Madrid EFE in Spanish 0200 GMT 10 Jun 93

[Excerpts] La Paz, 9 Jun (EFE)—Gonzalo Sanchez de Lozada, leader of the opposition Nationalist Revolutionary Movement (MNR), proclaimed himself "president-elect" of Bolivia on 9 June, after the victory of his party in the 6 June elections.

"For the first time in our recent history we have a president-elect who will have 58 days to prepare and implement the transition," Sanchez de Lozada said, during a brief message to the nation through the main media.

The MNR leader, who did not obtain an absolute majority so as to be able to accede directly to the presidency, summoned the media to issue his message after he learned of the decision by General Hugo Banzer, who came in second in the elections, to withdraw his presidential candidacy in the elections that will take place in Congress on 6 August.

Sanchez de Lozada justified his self-proclamation by the ample favorable margin obtained by his party, and by the support declared by representatives of the church, unions, businessmen, and the majority of the parties that have obtained seats in Congress. [passage omitted]

Before Banzer's decision was made known, several leftist parties had promised to vote for Sanchez de Lozada, although these votes had not been enough to make impossible the election of Banzer.

Congress has 157 seats (130 deputies and 27 senators), of which the MNR obtained 70, and the AP [Patriotic Accord] 42 during the elections last Sunday. The absolute majority required for electing the president is 79 votes.

With the support of leftist parties the MNR would have obtained 78 votes in Congress while the AP could have obtain the other votes, thus provoking a draw because the only deputy elected for the Alternative to Democratic Socialism (ASD) party had announced that he would abstain.

Lozada, 62, has a B.A. degree in philosophy from the U.S. University of Chicago. He was a moviemaker in the 1950's, and is now one of Bolivia's most prosperous mining entrepreneurs in addition to being one of Bolivia's richest men.

"Goni," as his followers call him, will be the fourth Bolivian president since 1982, when this Andean country returned to the democratic system of government.

Minister Says Government Unable To Finance Alternative Development Program

PY1006000493 Cochabamba LOS TIEMPOS in Spanish 2 Jun 93 p 1

[Text] La Paz, 1 Jun (LOS TIEMPOS)—Osvaldo Antezana, minister of agriculture, livestock and campesino affairs, has said that Bolivia is not able to finance the alternative development program, which requires about $300 million.

Referring to a statement by Jorge Crespo, the Bolivian ambassador to the United States—who said the new U.S. drug control policy will compel Bolivia to "finance the antidrug program"—Antezana rejected it, adding that, despite its efforts, the Bolivian Government has collected only $100 million in international support for the alternative development program. [sentence as published]

He said that Bolivia is not able to invest $100 million, let alone $300 million, because it lacks the domestic resources to meet the demands of this program. [sentence as published]

Antezana stated that private sector cooperation in the alternative development program is very important for opening foreign markets and for the expansion and consolidation of these programs in Chapare and Cochabamba.

He said: "We must have investments if we are to enter potential foreign markets. We are trying to achieve this through the Producers Association which is being mounted at the peasant organization level."

Antezana said that Bolivia could promote alternative products at the commercial level and, at the same time, meet international market requirements.

He recalled that to be allowed to export a variety of palm-hearts [palmito] crop—which is grown in the Chapare region—to Spain, the importers demanded the laboratory testing of a greater quantity than is currently being produced. [sentence as published]

Antezana added: "For the time being we are not able to produce the quantities required for exporting to European countries, or even Latin American countries, of what is produced through the alternative development program."

Investment in Alternative Development Increases 4 Percent

PY0906224793 La Paz LA RAZON in Spanish 4 Jun 93 Economic Section p B12

[Text] A report issued by the Alternative Development Secretariat (Subdesal) to evaluate the present administration's achievements says that total investments in the alternative development program have totaled $107 million over the past four years. The report adds that the amount represents a 4 percent annual increase in investment.

The government invested $25 million in the program during 1989 and $29 million during 1992. This amount represents a 16 percent increase over a period of four years.

Alternative development projects and programs have been implemented in coca producing areas in the Chapare and Yungas Regions. The government programs seek to diversify agricultural production and replace coca cultivation. The programs also support trading and industrialization of alternative products and the improvement of the road and service infrastructure.

The program seeks to replace the economic conditions created by coca plantations, although much more money is needed for that. Government authorities repeatedly expressed the need to speed up alternative development programs. However, out of the nearly 20,000 hectares of coca plantations eradicated in the past four years, only 6,000 hectares have been used to produce an alternative product.

In the past four years a total of $90 million was invested in Cochabamba. Out of this total $73 million was provided by various countries and international organizations, and $17 million by the country.

A total of $16 million was invested in La Paz. Out of this total $15 million was provided by international organizations. Other programs are being implemented in depressed areas to prevent the population from emigrating toward coca producing areas. A total of $1.4 million was invested in these programs.

Thirteen public works in roads, basic infrastructure, and agriculture and agro-industrial activities, among others, will be finished by 13 July. The drainage of tropical Chapare roads will be improved, roads will be repaired, and some stretches will be paved (the construction covers a total of 223 km).

Six drinking water and two sewage disposal systems will be installed; three small productive projects involving women will be implemented; four cassava [yuca] dehydration plants will be built; and producers will receive technical assistance.

Alleged U.S. Link With Arms, Drug Trafficking Noted

PY0906123193 La Paz PRESENCIA in Spanish 4 Jun 93 Section 2 p 2

[Text] Santa Cruz, 3 Jun—Ramiro Paz Cerruto, vice presidential candidate of the 9 April Revolutionary Vanguard, reported to the attorney general the existence of a link between arms and drug trafficking in the country with U.S. participation in support of the Nicaraguan Contras.

In a letter sent to Attorney General Angel Baldivieso, Paz Cerruto mentioned the documents in his possession establishing "the connection between clandestine U.S. Government operations during the Reagan and Bush administrations, arms trafficking in Bolivia, Operation 'Blast Furnace' [preceding two words published in English] conducted by the U.S. Army in Bolivia, the finding of the cocaine factory in Huanchaca, the murder of scientist Kempff and Deputy Salazar, and the conclusions of guilt reached by the Chamber of Deputies joint investigating committee."

Ramiro Paz reminded the attorney general about the U.S. Senate report on the participation of Vice President Bush in the Iran-Contras scandal, and the arms trafficking from Czechoslovakia, Yugoslavia, and Bolivia to Panama involving, among others, Jaime Gatindo, Richard J. Bernneke, and J. Pareti.

Ramiro Paz also cited the writing of Colonel M.H. Abbot from the U.S. Army War College about his participation as battalion commander in Operation "Blast Furnace" [preceding two words published in English] in Bolivian territory in which he refers to Huanchaca as Objective 157 and to the information that the laboratory was dismantled long after its detection.

Paz Cerruto says a further investigation will establish once and for all "if the covert operations and negligence by former Interior Ministers Juan Carlos Duran and Fernando Barthelemy were the result of the impunity granted by a foreign country or their party—the MNR [Nationalist Revolutionary Movement]—or by their desire to get rich."

Paz Cerruto admitted that by making these comments his life is at stake, as already warned of by Barthelemy himself in a March interview with Radio Fides when he reportedly said: "We will settle accounts with that man," referring to Paz Cerruto.

Chile

Government Issues Communique on Aylwin-Pinochet Meeting

PY1006023493 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 10 Jun 93

[Report by Arturo Halem from La Moneda Palace—live]

[Text] A few minutes ago, not more than five minutes ago, Minister Secretary General of Government Enrique Correa disclosed an official communique on the meeting held by President Patricio Aylwin and Army Commander General Augusto Pinochet.

We are now going to disclose the very brief communique he read:

[Begin Correa recording] The meeting to which President Patricio Aylwin summoned the Army commander was held this afternoon. The president of the Republic told General Pinochet that he would reject any act of pressure that could cause unrest among the public and harm the country's prestige.

During the meeting the various issues concerning the Army were also assessed, and with the participation of the defense minister the adequate formulas to handle these issues, through the corresponding institutional channels, were discussed. [end recording]

This was the government's official communique. It should be pointed out that Minister Correa also mentioned that it is possible that President Aylwin will hold a news conference to further discuss this subject on 11 June, probably at noon, although the exact time has still not been determined.

Envoy to Uruguay Says Relations 'Excellent' Despite Abduction of Biologist

PY1006034493 Santiago Radio Cooperativa Network in Spanish 2300 GMT 9 Jun 93

[Report by Montevideo Radio Carve reporter Hugo Alvarez "for Radio Cooperativa from Chile"—by "direct" telephone patch]

[Text] Chilean Ambassador to Uruguay Raimundo Barros Charlin has stated that diplomatic relations with Uruguay are excellent. He also asserted that the incident involving Chilean biologist Eugenio Berrios has by no means marred the relationship between the two countries.

Barros added that in his opinion it is a very complex case, which will take a long time to solve. He said however, that he was optimistic.

Barros said that he was unaware of Berrios' whereabouts and added that officially the embassy was not aware of his entry into Uruguay. He recalled, however, that the Chilean citizen phoned the consulate on 11 November 1992 to request a safe conduct to travel by land to Santiago. He said he had lost his identity card. Barros added that the person who at that time identified himself as Eugenio Berrios never came to the consulate, and that the consul had informed his superiors about this episode.

PS Leader Meets Cuba's Lage, Urges 'Open' Democracy

PY1006032093 Santiago Radio Cooperativa Network in Spanish 2300 GMT 9 Jun 93

[Text] The Socialist Party [PS] supports the resumption of diplomatic relations with Cuba at the ambassadorial level as soon as possible, according to PS President German Correa.

Correa made this statement after a meeting with Carlos Lage, vice president of the Cuban Council of State, who is visiting Chile in response to an invitation extended by Minister Secretary General of Government Enrique Correa.

The PS president said that the relationships between states are independent of the political systems that rule in their respective countries and admitted that Cuba does not enjoy a system as democratic as that known to the rest of the world.

[Begin Correa recording] Cuba has, undoubtedly, problems that we would like to see resolved in a different way. Cuba undoubtedly has a different political system. However we, in our capacity as socialists, believe that the decision to hold free, universal, informed, democratic elections is fully compatible with the socialist project upheld in Cuba by Fidel Castro. From this viewpoint we would prefer a more open democracy, because it would be very good for Cuba, for the Cuban people, and would give the world a better idea of what the situation in Cuba is. [end recording]

German Correa said that these viewpoints were expressed to the Cuban minister, who asserted that the political process in Cuba has taken a different path. However, the Socialist leader said he sees no obstacles for the full resumption of diplomatic relations with Cuba before the end of President Patricio Aylwin's administration. In this regard he mentioned the intense contacts held at a business and economic level, the flow of Chilean tourists to the island, and the number of people who go to Cuba for medical treatment, as well as Cuba's growing interest in acquiring Chilean food products.

Paraguay

Industry Minister Says Government Supports Taiwan's Reentry Into UN

PY0806214693 Asuncion ABC COLOR in Spanish 8 Jun 93 p 20

[Text] Taipei, 7 Jun (CNA)—Paraguayan Industry Minister Ubaldo Scavone, who attended in this city the sixth conference for economic cooperation between Paraguay and Taiwan, has said that the Paraguayan Government firmly supports Taiwan's reentry into the United Nations.

According to a Taiwanese news report released yesterday, Scavone made this statement on 28 May during a meeting he held with President Lee Teng-hui in Taiwan's presidential palace.

The paraguayan minister said that "the traditional relations between Paraguay and the Republic of China will improve after the Paraguayan Government inauguration on 15 August 1993."

During the five-day conference, held in Taipei from 25 to 29 May, both sides agreed on several specific topics to promote even further bilateral cooperation in the economic, technological, and cultural fields.

As part of bilateral cooperation, in August 1993 Taiwan will send to Paraguay 3,000 sugar cane plants to improve the quality of this crop. Taipei will increase aid to Paraguay's farm sector, and will build more model villages in that country to help improve the quality of farm products and raise the living standards of rural families.

The Importation and Exportation Bank of China will grant the Asuncion Government a $20 million loan for creating a fund to balance cotton prices in order to stabilize cotton growers' income and promote production.

Furthermore, the Taiwanese Government will grant ACEPAR [Paraguayan Steel, Inc.] an $8.2 million loan, with a long grace period and at low interest, for building a metallurgical plant with the cooperation of China Steel Corporation, which will invest $2.1 million in the plant to produce steel alloys.

Taiwan also promised to donate audiovisual equipment and computers to seven Paraguayan educational institutions, and to sponsor a technological training program for Paraguayan teachers.

Peru

CCD Constitutional Affairs Commission Approves Presidential Reelection

PA1006043893 Madrid EFE in Spanish 0358 GMT 10 Jun 93

[Text] Lima, 9 Jun (EFE)—The Peruvian Democratic Constituent Congress [CCD] Constitutional Affairs Commission on 9 June approved an immediate presidential reelection only for a new term. The immediate reelection was rejected by opposition parties because they consider "it is part of an authoritarian plan that seeks to perpetuate" Peruvian President Alberto Fujimori's presence in the government.

The proposal presented by the ruling alliance New Majority-Change 90 for its inclusion in the country's

new constitution was approved on the evening of 9 June by the commission, five votes in favor and four votes against, it was reported by CCD spokesmen. The original proposal from the ruling majority stated that the immediate presidential reelection should be indefinite, meaning a reelected president could be a candidate in subsequent elections once his own government term had ended.

The majority group approved a proposal submitted to the Constitutional Affairs Commission in two sessions, during which the issue was discussed, and it was ratified by 43 of its 44 members.

The opposition steadfastly rejected a reelection because it considered this was Fujimori's "personal plan" to "perpetuate" his presence in the government. The 1979 Constitution, which is currently in effect and will be replaced by the constitution being drafted by the CCD, only accepted reelections for a five-year period, meaning a presidential term.

Fujimori Makes 'Unofficial' Visit to Los Angeles 8 Jun

PA0906215793 Lima Panamerican Television Network in Spanish 0300 GMT 8 Jun 93

[Report by Jose Narino]

[Text] Bill Bradley, Los Angeles mayor for the past 20 years, welcomed President Alberto Fujimori upon his arrival in Los Angeles following a visit to southeast Asia. Fujimori is here on an unofficial visit at the invitation of the Los Angeles World Affairs Council, which brings together top level bankers, economists, scholars, and businessmen. Human rights and terrorism were the main issues addressed during a news conference at the Biltmore Hotel where President Fujimori is staying.

Fujimori said his government's counterinsurgency strategy is conducted with respect for human rights. He said 2,500 terrorists are in jail after being arrested without a single shot fired. The Shining Path and the Tupac Amaru Revolutionary Movement top commands have been dismantled as the two genocidal groups are now without leaders. Fujimori said those two groups are the chief human rights violators in Peru. He invited reporters asking about the topic to visit our country to get an accurate view of the situation on that and other matters. The president said his government has the right to take antiterrorist actions and concluded with this question: Would the U.S. Government have accepted weekly attacks such as the one at the World Trade Center in New York?

Fujimori later met privately with directors of THE LOS ANGELES TIMES, one of the most influential newspapers in the state and one of the most important in the country. Fujimori requested more considerate treatment of news stories from Peru, chiefly those related to human rights, terrorism, politics, the economy, and the country's general situation. Such topics are constantly causing concern among the news media, as was seen during the afternoon's news conference.

Army Soldiers Close 16 Clandestine Radio Stations

PY1006010293 Lima LA REPUBLICA in Spanish 28 May 93 p 12

[Article by Efrain Rosales]

[Excerpt] Huaraz—A total of 16 clandestine radio stations, among them some that broadcast subversive messages, were intervened, closed down, and dismantled at dawn yesterday by more than 100 Army soldiers and a group of prosecutors in Carhuaz, Yungay, and Huaylas Provinces.

While some of the stations upheld terrorism, they were all closed down because none of them had the necessary authorization from the Transportation and Communications Ministry and for tax evasion, even though they make a lot of money from advertising.

All the intervened stations are FM stations and most of them have been operating since 1968. This operation is the largest of its kind ever against clandestine stations in Bolivia.

The operation, in which a large number of provincial prosecutors and some 130 Army soldiers stationed in this city participated, started at 0300 and ended at 0600. The operation covered the entire Callejon de Huaylas area. [passage omitted]

Uruguay

Lacalle Decides To Cut Short State Visit to UK

PY0906141393 Montevideo Radio El Espectador Network in Spanish 0930 GMT 9 Jun 93

[Text] In light of the events concerning the abduction of a Chilean biologist that shocked public opinion in Uruguay, President Luis Alberto Lacalle has decided to cut short his state visit to the United Kingdom. His flight is scheduled to leave London at 2200 local time and arrive at Carrasco International Airport at 1300 local time tomorrow. Lacalle will return to Uruguay with Foreign Minister Sergio Abreu.

It has been reported that Lacalle will give a news conference in the airport's VIP room, but he will only touch on his state visit to Great Britain. He then will meet Defense Minister Mariano Brito and Interior Minister Juan Andres Ramirez, who are going to brief him on the aforementioned case.

When the scandal about the Chilean scientist came into the open, however, a top Government House source denied that Lacalle would interrupt his visit to the United Kingdom. But the same source confirmed yesterday that Lacalle will come back to Uruguay tomorrow to personally follow the administrative investigation into

the aforementioned case very closely, adding that Lacalle's return from Great Britain does not imply that the situation has worsened.

Another Government House source stated that Lacalle maintained constant telephone contacts with Ramirez, and yesterday afternoon he asked to be given a detailed information on the news conference given yesterday by the defense and interior ministers. The same source further reported that Lacalle changed his plans at the last minute due to the understandable uneasiness he felt being far away.

Venezuela

President Velasquez Swears In New Ministers

PA0906195493 Paris AFP in Spanish 1813 GMT 9 Jun 93

[Text] Caracas, 9 Jun (AFP)—Acting President Ramon J. Velasquez, who took office on 6 June, swore in on 9 June the new ministers of the interior, economy, agriculture, and decentralization.

Former Supreme Electoral Council president Carlos Delgado Chapellin took office as interior minister. Former Venezuelan Central Bank president Rafael Silva became the new finance minister, replacing Pedro Rosas Bravo. Hiram Gaviria is the new agriculture and livestock minister, replacing Pedro Luis Urriola. Constitutional expert Charles Brewer Carias became the head of the newly created Decentralization Ministry [Ministerio de Decentralizacion].

Official sources stated there is still a very strong chance that Ivan Palazzi will become the new justice minister, because after meeting three times with President Velasquez he said he would accept the position, despite the ban by his Social Christian Party on allowing its candidates to take government jobs.

In a brief speech, President Velasquez stressed Delgado Chapellin's virtues as a "man of dialogue," given the current political and social crisis in the country and because it is a crucial electoral year with presidential and legislative elections scheduled for 5 December.

He noted that in view of the decision by the Social Democrats and Christian Democrats, the country's chief political forces, not to accept government posts because of the elections, Delgado Chapellin represents a guarantee of impartiality.

Talking about economist Silva, Velasquez noted his virtues as a man who knows the country's finances, although he declined to comment on the economy. He also stressed Hiram Gaviria's "struggles" as a man involved in agriculture, one of the economic policy areas for which suspended president Carlos Andres Perez came under the most criticism. Perez was accused of not protecting agriculture in order to promote farm product imports in the so-called "open ports policy." Velasquez indicated "agricultural production in all parts of the world constitutes a guarantee of stability for a nation."

Brewer Arias will be at the helm of the new advances in decentralization in 22 states, where governors have been elected every two years since 1989, an area to which Velasquez—who comes from southeastern Tachira State on the border with Colombia—attaches special importance.

Perez, Former Ministers To Be Tried Jointly

PA0906163493 Caracas Venezolana de Television Network in Spanish 2350 GMT 8 Jun 93

[Report by Annerys Gonzalez]

[Text] The Supreme Court of Justice plenum has approved by a majority vote the request that suspended President Carlos Andres Perez and former ministers Reynaldo Figueredo Planchart and Alejandro Izaguirre to jointly face the criminal proceedings against them.

This is the Supreme Court's response to a request by former minister Reynaldo Figueredo Planchart and the Superior Court for the Protection of Public Property, which deliberated the possibility of a joint process.

The Supreme Court of Justice has established the validity of the indivisibility of the consistency in the proceedings [indivisibilidad de la continencia de la causa] and the principle of accumulation by connection [acumulacion por conexion] to avoid the risk of issuing contradictory sentences in the same case.

This means that the proceedings will be held jointly for suspended President Carlos Andres Perez, his two former ministers, and all those allegedly involved in the case of the 250 million bolivares taken from the secret allotment.

[Begin recording] [Supreme Court Secretary Enrique Sanchez Rizo] Three justices dissented from this vote; I do not have their names yet. Until this is confirmed, I cannot release this information.

[Unidentified reporter] [question indistinct]?
[Sanchez] Dr. Yepez Boscan, Dr. Juvenal Salcedo Cardenas, and Dr. Alfonso Guzman.

[Reporter] Will the Court try both Figueredo and....
[Sanchez, interrupting] The Court will try the three of them and other persons who may be implicated in the same case.

[Reporter] When will the file case be requested?
[Sanchez] We must wait until the warrant that will be issued at this meeting is fully signed. [end recording]

Supreme Court Secretary Enrique Sanchez Rizo indicated that the Court plenum has not yet determined on which days suspended President Carlos Andres Perez and his two former ministers should appear before the Court.

Air Force Commander Removed; Inspector General To Be Acting Commander

PA1006041993 Caracas Venezolana de Television Network in Spanish 2350 GMT 7 Jun 93

[Text] After being served with an arrest warrant, General Eutimio Fuguett Borregales was removed as commander of the Venezuelan Air Force so he can take over his defense before the high military court.

Defense Minister General Ivan Dario Jimenez Sanchez has announced that Air Force Inspector General Gen. Frederick Yanes Mendez will be the acting Air Force commander. Gen. Jimenez Sanchez also said that Gen. Fuguett Borregales has given himself up and will be detained at Fort Tiuna Military Police Garrison.

[Begin Jimenez recording] Gen. Fuguett is being charged with embezzlement. He claims he is innocent and has all the documents to prove it. [end recording]

The defense minister also said that an investigation will be conducted to determine the truth of a charge presented by a National Guard colonel who says that another high-ranking National Guard officer is involved in drug trafficking.

Ex-President Caldera Remarks on Expulsion From Social Christian Party

PA0906170493 Caracas Venezolana de Television Network in Spanish 2350 GMT 8 Jun 93

[Report by Jose Marcano]

[Text] You can strike my name from the lists, but not from the hearts of the members of the Social Christian Party [Copei]. This is how Rafael Caldera responded to the Copei National Directorate's decision to expel him from the ranks of the party he founded. Former President Rafael Caldera explained that the hair-brained decision made by the Copei National Directorate is just another clumsy move. He said the results of the upcoming December elections will show who the real Social Christians are.

[Begin Caldera recording] Allow me to tell those who have made the decision: I am sorry for you. It is, as I said before, just another clumsy move. Such clumsy moves by these leaders have not been scarce during the last few years. The country will judge this decision, but Copei members will judge it too, when they go to the polls on 6 December to vote en masse for what they hold in their hearts and in their consciences. [end recording]

He said he will remain loyal to the philosophy that led him to found the political organization. He added that the decision did not surprise him. He maintained that the controversy was clear, but it does not signify a rupture within the party, because in six months he will be proven right. He said he will not found a new political party. He also said that the next government must bear the standard of national unity, of which he is a proponent.

[Begin Caldera recording] This attitude, the pragmatic stance and pro-neoliberal attitude of the party directorate, has become an insurmountable obstacle. The most absurd thing, however, is for them to say I am trying to make Copei lose the elections. According to all the reliable reports I have from serious polls, not those chartered polls people order to impress the fools, the Venezuelan people have clearly chosen me. [end recording]

Abdon Vivas Teran, Edecio La Riva Araujo, and Julio Cesar Moreno, the other Copei members who were stricken from the party lists, expressed their rejection of the National Directorate decision. They agreed that it constitutes another mistake by the green party's leaders. They had no doubts in stating that it signifies a division within the Social Christian ranks that has been coming since the internal election campaign.

[Begin recording] [First unidentified speaker] Far from moving us away from Copei's militant base, the National Directorate decision has brought us closer. I feel more a member of Copei than ever. I feel I can interpret the principles, the objectives, and the historic plan much better than fellow party members Hilarion Cardozo or Osvaldo Alvarez Paz.

[Second unidentified speaker] I suffered greatly with the decision. I am one of the party's founders. I have given my life to the party. Yet, now they declare me out of the party in a unilateral move. I continue to be a member of Copei.

[Third unidentified speaker] I am appalled. The fellow party members who reached this decision do not have the moral, ethical, or political authority to act this way against Rafael Caldera. It is as if the Vatican curia in Rome were to expel John Paul II, none other than the pope of the Catholic Church. [end recording]

Copei Presidential Candidate Asks Caldera Supporters To Resign

PA0906204393 Caracas Venezolana de Television Network in Spanish 1550 GMT 8 Jun 93

[Text] Osvaldo Alvarez Paz, Social Christian Party [Copei] presidential candidate, has asked Rafael Caldera's supporters to resign from the party, thus assuming the responsibility they assumed when they decided to support his independent candidacy. Osvaldo Alvarez Paz stressed that this should not be seen as a witch hunt because Copei is beginning to put things in order. He stated that, given the act of treason perpetrated by Rafael Caldera and other party members, they deserve the measure because they acted neither honestly nor in good faith and tried to destroy his candidacy. He said that, contrary to statements by party founder Rafael Caldera, the measure does not divide the party but strengthens it, inasmuch as only those who support the party will remain members.

[Begin Alvarez recording] We are all free to act as we see fit, as long as we assume the consequences of our actions. The ethical thing for Rafael Caldera and his followers to do, if they believe he should be the party's presidential candidate—or I should say a presidential candidate above, along side of, or even against the party, disregarding the decision made on 25 April—the honest and ethical thing to do is to resign from Copei and leave. [end recording]

He concluded by saying that his campaign can now begin in an organized way, in light of the Copei National Directorate decision. It will begin officially on 1 July.

* Progress Noted in Telecommunications Industry

* Investment Increases

93SM0263A Caracas EL NACIONAL in Spanish 29 Apr 93 p D9

[Article by Alicia Aguilar]

[Text] Investments in the telecommunications sector in 1992 amounted to $1.072 billion, outdistancing the flow of investments to other sectors of the economy, including manufacturing.

"In addition to direct investment in the telecommunications industry, more than $1.5 billion in goods and services were sold by companies in the sector during the past year, which indicates that projects are under development in which each dollar of investment is increased fivefold that of investment in other sectors," according to Alfredo Avella Guevara, president of the National Council of Informatics, Telecommunications, and Electronics (Conintel), an organization that includes consulting firms, manufacturers, marketers, and operators that are active in the sector.

In describing the outstanding performance that has characterized the telecommunications industry since the state agreed to its privatization, Avella said that these results show that this is "a committed sector that is changing Venezuela into a privileged country, due to its economically robust condition."

Future Investments

The business leader said that since privatization took effect in June 1992, when the state transferred 11 percent of the shares of CANTV [National Telephone Company of Venezuela] to the firm's employees, achievement of previously established goals has been constant.

He cited several indicators as an example, such as the investment by the privatized CANTV of more than $510 million, exceeding the commitments contained in the contract of concession for the broadening of the basic system; the beginning of another investment of $300 million which will culminate in 1994 in the fiber optics submarine cable "America 1," that will link Venezuela with the United States, Brazil, and Trinidad; the demand for and the capability to offer service in the cellular telephone network, and the completion in 1992 of plans forecast for the next 24 months, by firms operating private telecommunications systems.

Avella Guevara said that the tendency toward leadership that the sector had shown in 1992 was confirmed in the first months of 1993, according to a report provided by the Foreign Investments Authority (Siex), which calculated net investments in this sector at $14 million during March 1993.

With regard to anticipated investments, Avella said that, for 1992 and 1993, telecommunications companies have assumed commitments in the contracts of concession that were signed with the government that exceed $2.5 billion, which when projected brings investments by the end of the decade to $13 billion and total sales to $25 billion.

Socioeconomic Impact

The president of Conintel described other benefits derived from the flow of capital to the telecommunications sector. He said that, besides representing "fresh money" from foreign countries, which see a potential market in Venezuela, the investments create synergistic effects that will help Venezuela to become a modern country. "Projects such as converting Venezuela into a regional business center, and having its own satellite, are among the objectives of the telecommunications sector that are shared equally by the public and private sectors."

He also pointed out that more than 700 firms that have created 48,000 jobs are operating in the country, in such fields as engineering and consulting, manufacturing, installation, construction, maintenance, and services.

He added that telecommunications services will represent from 4 to 5 percent of GDP [gross domestic product] by the year 2000, assuming an average annual growth rate of 6 percent.

Service Goals

So far, the government has authorized private entities to operate cellular telephone systems (Telcel and Movilnet), private systems (11 licenses), trunk systems or "trunking" (eight concessions), paging services (six provisional licenses) and transformer systems (two concessions and one license).

As an indication of the dynamism that the sector is experiencing, the president of Conintel said that cellular telephone service now has about 100,000 subscribers, 300,000 calls are processed daily, and billing, including service charges, is more than $100 million.

* CANTV 1992 Report

93SM0263B Caracas EL DIARIO DE CARACAS in Spanish 30 Apr 93 p 19

[Article by Veltza Rodriguez]

[Text] The National Telephone Company of Venezuela (CANTV) reported gross revenues for 1992 of 69.005 billion bolivares, which yielded a net profit of 14.2 billion bolivares, according to the company's president, Bruce Haddad, who reported the 1992 financial results to stockholders.

The financial report was approved in yesterday's general assembly, the first conducted since the firm's privatization. The vote was taken without the participation of the workers, most of whom left the hall in disagreement with several items on the agenda.

Haddad said that he was absolutely satisfied and proud of 1992's results, which exceeded most of the firm's goals. He said that, after making adjustments to compensate for the distortional effects of inflation, CANTV obtained a return of 12.1 percent on its assets. While recognizing that this was very low compared with others in the market, he said: "I have full confidence in our ability to meet the long-term expectations of our stockholders."

Haddad said that last year CANTV carried out a program for expansion and modernization of services for an investment of 35 billion bolivares, "which is greater than the total investment of the last eight years."

During 1992, the company invested approximately 35 billion bolivares in telephone equipment in order to expand, modernize, and improve telephone service in Venezuela. This made CANTV the leading private investor in Venezuela in 1992, according to the report to the stockholders. Haddad added that more than 400,000 new lines were installed and 200,000 new subscribers added. In addition, the firm's president pointed to an increase of 40 percent in the public telephone system, which represents a gain of 45,125 units.

Referring to CANTV's impact on the country's economy, Haddad said that the company had created more than 22,000 jobs and purchased more than 15 billion bolivares worth of goods and services from domestic suppliers, while more then 3.7 billion bolivares in concession taxes were canceled since privatization.

The president of CANTV expressed his confidence in the country's future and took the opportunity to announce the 1993 Expansion Plan for 55 billion bolivares, "which represents an increase of 57 percent over the record investment of 1992." Among the more important projects for this year are the construction of a new national digital microwave system that will link all of the important cities, and another new international fiber optics submarine cable, which represents an investment of $60 million over two years, and which is expected to be completed in 1994. In his presentation, the president of the Venezuelan Investment Fund, Julian Villalba, described as positive the financial report presented by the Board of Directors, and did not rule out the possibility that, in the course of this year, CANTV shares owned by the government might be sold, adding that "it is just a question of finding the right moment."

The Workers Speak

After listening to Haddad's speech, the workers stated their decision to oppose the assembly, considering it "null and void, and illegal," insisting that they could not approve a financial report that "they had just received." Another objection of the workers, who are the owners of C shares (11 percent of total shares), refers to the election of labor directors to form part of the new Board of Directors, and as of yesterday no labor directors had been designated by the workers themselves.

So that, among boos, whistles, and almost total abandonment of the hall by workers that Haddad attributed to "political interest," the assembly approved all of the items on the agenda. The new Board of Directors consists of Bruce Haddad (president), Kent Foster, James Johnson, Ignacio Satillana, Francisco Aguerrevere, Luis Alfredo Freites, and Ernesto Perez Amaya as principal members, and Luis Esteban Palacios, Andrew Jones, Guillermo Amore, Francisco Ros, Gustavo Marturet, Adolfo Torres, and Julian Villalba as alternates.

With regard to members who will represent holders of C stocks, the assembly decided to allow 60 days for CANTV to conduct their election.